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BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
POLICY, RESEARCH & TECHNICAL ASSISTANCE COMMITTEE

IN THE MATTER OF THE: )  
 )  
POLICY, RESEARCH AND TECHNICAL )  
ASSISTANCE COMMITTEE MEETING )  
\_\_\_\_\_ )

DATE AND TIME: TUESDAY, DECEMBER 2, 1997  
9:39 A.M.

PLACE: BOARD HEARING ROOM  
8800 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA

REPORTER: MARK BRICKMAN, CSR  
CERTIFICATE NO. 5527

BRS FILE NO.: 43390

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MEMBERS PRESENT

MR. STEVEN R. JONES, CHAIRMAN  
MR. DANIEL G. PENNINGTON, MEMBER  
MR. PAUL RELIS, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER  
MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER  
MS. JEANNINE BAKULICH, COMMITTEE SECRETARY

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1           SACRAMENTO, CALIFORNIA - TUESDAY, DECEMBER 2, 1997  
2                                   9:39 A.M.  
3  
4           CHAIRMAN JONES:   GOOD MORNING.   WELCOME  
5           TO THE DECEMBER 2ND MEETING OF POLICY, RESEARCH  
6           AND TECHNICAL ASSISTANCE COMMITTEE.  
7                               JEANNINE, WOULD YOU CALL THE ROLL?  
8           THE SECRETARY:   MEMBER RELIS?  
9           MEMBER RELIS:    HERE.  
10          THE SECRETARY:   MEMBER PENNINGTON?  
11          MEMBER PENNINGTON:  HERE.  
12          CHAIRMAN JONES:   HERE.  
13                               IF ANYBODY WOULD LIKE TO SPEAK ABOUT  
14          ANY ITEMS, I HAVE TWO SPEAKER SLIPS ALREADY.  THE  
15          SPEAKER SLIPS ARE IN THE BACK, SO YOU CAN GRAB  
16          THEM, FILL IT OUT AND BRING IT UP HERE AND WE WILL  
17          LET YOU SPEAK.  
18                               DOES ANYBODY HAVE ANY EX-PARTES?  
19          MR. RELIS?  
20          MEMBER RELIS:   NO.  MINE ARE ALL IN.  
21          CHAIRMAN JONES:   CHAIRMAN PENNINGTON?  
22          MEMBER PENNINGTON:  NO, SIR, I DO NOT.  
23          CHAIRMAN JONES:   OKAY.  I HAVE A COUPLE.  
24          I SPOKE BRIEFLY WITH JACK MICHAELS AND LYNN  
25          NICHOLSON, AND WE TALKED FOR ABOUT A SECOND ON THE

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1 L.A. RAC CENTER. AND THEN JACK AND I TALKED ABOUT  
2 OUR FAVORITE SUBJECT, GRASSCYCLING IN SOUTHERN  
3 CALIFORNIA, AND I SAID HELLO TO EVAN AND ALMA AND  
4 MR. LEARY.

5 ALL RIGHT. OUR FIRST ITEM -- WE'RE  
6 NOT TAKING ANY OF THESE OUT OF ORDER, THE QUESTION  
7 WAS ASKED, AND WE'RE GOING TO JUST STICK WITH THE  
8 AGENDA. THE FIRST ITEM IS THE CONSIDERATION OF  
9 THE ANNUAL RULEMAKING CALENDAR.

10 MS. ZWARTS: GOOD MORNING, CHAIRMAN JONES  
11 AND BOARD MEMBERS. PATTY ZWARTS WITH THE  
12 ADMINISTRATION OFFICE.

13 WHAT YOU HAVE BEFORE YOU, WHICH HAS  
14 NEVER GONE BEFORE THE BOARD PREVIOUSLY, IS THE  
15 ANNUAL RULEMAKING CALENDAR, PROPOSED REGULATIONS  
16 THAT THE BOARD WILL BE CONSIDERING FOR THE NEXT  
17 YEAR.

18 THERE ARE 21 REGULATORY PACKAGES ON  
19 YOUR LIST. THESE ARE REGS -- REGULATIONS THAT ARE  
20 EITHER IN PROGRESS OR WILL START NEXT YEAR. THIS  
21 COMES BEFORE YOU AS A RESULT OF THE GOVERNOR'S  
22 EXECUTIVE ORDER. IT REQUIRES ALL CITIES TO SUBMIT  
23 DOCUMENTS TO THE RULEMAKING CALENDAR. IT MAKES IT  
24 VERY CLEAR THAT CITIES CANNOT ADOPT REGULATIONS  
25 UNLESS THEY ARE LISTED ON THE REGULATORY



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1 RULEMAKING CALENDAR.

2 ALSO ON YOUR PACKET IS A REGULATORY  
3 OVERVIEW, WHICH IS A MORE DETAILED SUMMARY OF EACH  
4 OF THE REG PACKAGES FOR YOUR CONSIDERATION.

5 IN ADOPTING THIS ITEM, I SHOULD LET  
6 YOU KNOW IT DOESN'T PRECLUDE THE BOARD FROM  
7 REMOVING THEM OFF THE -- OFF THE AGENDA AT A LATER  
8 DATE, BUT IT DOES LIMIT THE BOARD'S ABILITY TO PUT  
9 NEW REGULATORY PACKAGES ON THE LIST BEFORE  
10 PROCEEDING NEXT YEAR.

11 AS I SAID, ALL STATE AGENCIES WILL  
12 BE GOING THROUGH THIS PROCESS. THERE'S A LOT OF  
13 ADDITIONAL POLICY GUIDANCE THAT WE NEED FOR THE  
14 ADMINISTRATION IN HOW TO INTERPRET THE EXECUTIVE  
15 ORDER. WE HAVE NOT RECEIVED THAT, SO TO THE BEST  
16 OF OUR ABILITY AND WORKING WITH CAL-EPA, WE HAVE  
17 PREPARED THIS ITEM BASED ON THEIR DIRECTION. WE  
18 HAD HOPED TO HAVE ADMINISTRATION DIRECTION BEFORE  
19 THIS TIME, BUT EXPECT IT SOMETIME NEXT YEAR MORE  
20 LIKELY.

21 ALSO AS PART OF THIS ITEM, I SHOULD  
22 POINT OUT WE ARE PROPOSING THAT STAFF COME BACK AT  
23 A LATER DATE AS WELL IN THE SPRING TO PRESENT MORE  
24 INFORMATION TO THIS COMMITTEE ABOUT REGULATIONS  
25 AND HOW THEY IMPACT THE BOARD.

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1                   AS YOU RECALL, WE PRESENTED AN ITEM  
2           BEFORE THIS COMMITTEE ABOUT TWO MONTHS AGO ABOUT  
3           THE SCIENTIFIC PEER REVIEW REQUIREMENTS THAT ARE  
4           NOW IN LAW AS WELL AS MORE IMPACT ON THE EXECUTIVE  
5           ORDER ON ECONOMIC ANALYSIS SUNSET REVIEW.

6                   AGAIN, AS I MENTIONED BEFORE, WE  
7           HAVEN'T RECEIVED DIRECTION FROM ADMINISTRATION OR  
8           OAL ON HOW TO PROCEED ON THAT, SO IN THE ABSENCE  
9           OF THAT, WE THOUGHT IT'S BEST TO POSTPONE THAT  
10          LARGER CHUNK OF THE ITEM UNTIL THE SPRING  
11          WHEN WE MIGHT HAVE RECEIVED THAT DIRECTION, AS  
12          WELL AS IT'S APPROPRIATE BECAUSE IT WOULD COINCIDE  
13          WITH OUR STRATEGIC PLAN AND FOUR PRIORITIES THAT  
14          THE BOARD ADOPTED AND TO SEE HOW THOSE PRIORITIES  
15          ALSO FIT INTO THE TWO RULEMAKING PACKAGES.

16                   THAT'S BASICALLY THE ITEM THAT'S  
17          BEFORE YOU TODAY, AND I'D BE HAPPY TO ANSWER ANY  
18          QUESTIONS.

19                   CHAIRMAN JONES:   ANY QUESTIONS?

20                   MEMBER PENNINGTON:   MR. CHAIRMAN, YES.  
21          CAN WE DO LIKE THE LEGISLATURE TO SAY AND HAVE A  
22          SPOT DOES, LIKE IF SOMETHING COMES UP DURING THE  
23          YEAR THAT YOU FEEL WE NEED TO INITIATE RULEMAKING,  
24          ARE WE STUCK UNTIL NEXT YEAR?

25                   MS. ZWARTS:   I BELIEVE THERE'S STILL

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1 FLEXIBILITY WITHIN THE EXECUTIVE ORDER TO GIVE THE  
2 BOARD WHAT IT NEEDS TO GET REGS DONE.

3 IF, FOR EXAMPLE, WE HAVE AN  
4 EMERGENCY REG OR AN EMERGENCY SHOULD COME TO PASS,  
5 THERE ARE PROVISIONS IN THE EXECUTIVE ORDER THAT  
6 ALLOWS US TO GO TO THE SECRETARY OF CAL-EPA AND  
7 GET APPROVAL FOR DOING AN EMERGENCY REG, AND I  
8 DON'T ANTICIPATE THAT WOULD BE A PROBLEM.

9 ALSO THE RULEMAKING CALENDAR SPEAKS  
10 TO FORMAL BEGINNING OF A RULEMAKING PACKAGE. AS  
11 YOU KNOW, THE BOARD DOES A LOT OF INFORMAL WORK ON  
12 ITS REG PACKAGE A LOT AHEAD OF TIME BEFORE WE  
13 START THE FORMAL REVIEW, SO I IMAGINE EVEN IF  
14 HYPOTHETICALLY IN THE SPRING WE FELT THAT WE  
15 NEEDED A NEW REG PACKAGE, WE PROBABLY WOULD MOST  
16 LIKELY PROCEED WITH THE INFORMAL PROCESS FIRST,  
17 AND THEN WOULD HAVE TO START THE FORMAL PROCESS  
18 THE FOLLOWING YEAR.

19 MEMBER PENNINGTON: OKAY.

20 CHAIRMAN JONES: I HAVE A COUPLE OF JUST  
21 REAL BRIEF COMMENTS, AND ONE OF THEM IS ON THE  
22 BIOSOLIDS REGULATIONS.

23 I UNDERSTAND THAT THE INFORMAL  
24 PROCESS HAS STARTED. THE FORMAL NOTICE IS  
25 NOVEMBER OF 1998, AND I THINK IN LIGHT OF THE

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1       RSU -- AND FOR THOSE IN THE AUDIENCE WHO DON'T  
2       KNOW WHAT'S GOING ON THERE, THE REGULATORY  
3       STRUCTURE UPDATE WITH DTSC THAT THEY'RE PROPOSING,  
4       A LOT OF THE ISSUES THAT THEY'RE DEALING WITH ARE  
5       MANAGEMENT ISSUES THAT DEAL WITH ASH, BIOSOLIDS,  
6       AND THE ASH REGULATIONS IN PLACE, BUT THEY'RE  
7       GOING TO DEAL WITH BIOSOLIDS, THEY'RE GOING TO  
8       DEAL WITH SOILS. AND I'D LIKE TO KNOW WHAT THE  
9       FLEXIBILITY IS ON THIS PACKAGE IN PARTICULAR  
10      BECAUSE I THINK WE HAVE TO BE ABLE TO REACT  
11      QUICKLY TO COME UP WITH WHAT COULD BE MANAGEMENT  
12      STANDARDS ON WHAT IS NOW A VERY VAGUE UNDER-  
13      STANDING WITH -- WITH THE RSU PROCESS.

14                   EVERYTHING IS IN A STATE OF FLUX,  
15      AND WHENEVER YOU ASK A QUESTION, YOU DON'T REALLY  
16      GET AN ANSWER; YOU JUST GET A POSTPONEMENT AND A  
17      PROMISE THAT TRUST ME, YOU KNOW. WE WILL -- WE'LL  
18      LET YOU KNOW, AND -- BUT I THINK THAT IT'S  
19      CRITICAL THAT THERE'S FLEXIBILITY, ESPECIALLY ON  
20      THIS ITEM, AND I'M JUST WONDERING WHAT THAT  
21      FLEXIBILITY -- HOW THAT PROCESS WOULD WORK IF WE  
22      HAD TO ESCALATE OUR EFFORTS ON THIS.

23                   MS. ZWARTS: YES. CHAIRMAN JONES, I KNOW  
24      THAT SOME ACTIVITIES AND WORKSHOPS HAVE BEGUN ON  
25      THE BIOSOLID, AND BOB HOLMES IS HERE TODAY AND



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1       COULD ANSWER SOME QUESTIONS ON HOW THAT  
2       FLEXIBILITY COULD WORK WITHIN THE EXISTING  
3       SCHEDULE.

4               MR. HOLMES:   YES.   WE HAVE STARTED THE  
5       INFORMAL PROCESS.   THE SCHEDULE THAT -- THAT THE  
6       BOARD APPROVED EARLIER THIS YEAR HAD SOME SPECIFIC  
7       TASKS INVOLVED IN THAT SCHEDULE.

8               WE CAN SQUEEZE SOME EFFICIENCIES OUT  
9       OF THAT, BUT PRETTY MUCH WE'RE -- WE'RE TIED TO  
10      THAT SCHEDULE, BUT WE UNDERSTAND YOUR CONCERN AND  
11      WE CAN DO WHAT WE CAN TO SPEED THAT PROCESS UP.

12              CHAIRMAN JONES:   OKAY.   NOW, I KNOW WHAT  
13      WE'RE DOING HERE IS BASICALLY APPROVING A VERY  
14      LARGE BLANKET TO MAKE SURE THAT NOTHING GETS  
15      FILTERED THROUGH, SO I DON'T HAVE A PROBLEM WITH  
16      THAT.

17              I HAVE SOME ISSUES ON SOME OF THESE  
18      THINGS AS FAR AS TIMING AND AS FAR AS THE SCOPE,  
19      YOU KNOW, BUT I THINK THERE'S A TIME AND PLACE TO  
20      DEAL WITH THOSE ISSUES.

21              MR. CHANDLER?

22              MR. CHANDLER:   PATTY, I THINK IT WOULD BE  
23      USEFUL, JUST AS A CONSTANT REMINDER, TO POINT OUT  
24      THE DISCUSSION WE HAD THE OTHER EVENING AS IT  
25      RELATES TO THE C&D RATES AND THE BUDGET LANGUAGE

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1        THAT WAS PASSED LAST YEAR RELATIVE TO SOME FISCAL  
2        IMPACTS TO THIS ORGANIZATION, AND I JUST WANT TO  
3        MAKE SURE THE BOARD MEMBERS ARE AWARE OF THAT.

4                    I THINK WE HAVE TO HAVE THE REGS TO  
5        THE FORMAL LEGISLATURE BY APRIL, AND I KNOW WE NOW  
6        HAVE A REQUIREMENT THAT ANYTHING SUBMITTED TO THE  
7        LEGISLATURE GO THROUGH SECRETARY ROONEY'S OFFICE.  
8        SOMETIMES THAT IS -- THAT ADDS ANOTHER 30 DAYS TO  
9        THE PROCESS.

10                   I WANT THE BOARD FULLY AWARE. WE'RE  
11        LOOKING AT HEARINGS IN MAY, ADOPTIONS IN JUNE. WE  
12        HAVE A QUARTER-MILLION-DOLLAR DEAL ON OUR BUDGET  
13        IF WE DON'T SUBMIT THOSE RATES.

14                   MAYBE THEY'RE PROPOSED OR DRAFTED,  
15        ULTIMATELY THEY MAY END UP IN THE SUPPLEMENTAL  
16        BUDGET, BUT WHY DON'T YOU ELABORATE ON THAT A  
17        LITTLE BIT?

18                   MS. ZWARTS: YES. THIS WAS ON THE BUDGET  
19        FOR LAST YEAR. SUPPLEMENTAL LANGUAGE WAS ADDED TO  
20        THE BUDGET THAT REDUCED THE BOARD'S EXPENDITURE  
21        AUTHORITY BY A QUARTER OF A MILLION DOLLARS, BUT  
22        WOULD GIVE IT BACK TO THE BOARD IF THE BOARD DID  
23        TWO THINGS BY APRIL 1ST; THAT IS, ONE, PROVIDE A  
24        PROGRESS REPORT TO THE LEGISLATURE ON HOW IT WAS  
25        DOING ADOPTING CONSTRUCTION DEMOLITION PACKAGES;

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1           AND, TWO, THAT THEY REQUESTED THAT WE GIVE THEM  
2           PROPOSED REGULATIONS AT THAT TIME, AS WELL.  
3                       THAT IS A BIT INCONSISTENT WITH THE  
4           SCHEDULE THAT THE BOARD ADOPTED, MEANING IT'S A  
5           BIT SOONER. WE HAD HOPED TO DO, YOU KNOW, THE  
6           REGS AT LEAST AT A LITTLE LATER DATE THAN THAT, SO  
7           WE WILL BE A BIT CRUNCHED ON THAT, BUT THEY DON'T  
8           DEFINE EXACTLY WHAT PROPOSED REGS COULD BE. I  
9           THINK THAT WOULD BE AN INFORMAL SET OF REGS FOR  
10          THE FIRST DRAFT. I THINK THAT THEY LIKELY WOULD  
11          BE HAPPY TO RECEIVE THAT, AS WELL.  
12                       WE'RE ACTUALLY HAVING A MEETING WITH  
13          THE SECRETARY'S OFFICE AFTER THIS COMMITTEE TO  
14          DISCUSS THAT.  
15                       AS RALPH INDICATED, AS WELL,  
16          SECRETARY ROONEY HAS A NEW POLICY NOW. HE WANTS  
17          TO SIGN OFF ON ALL THE REPORTS TO THE LEGISLATURE.  
18          THAT WOULD INCLUDE THE PROGRESS REPORT REQUESTED  
19          UNDER THE BUDGET ACT, AND THAT COULD AND WOULD ADD  
20          SOME MORE TIME AND CRUNCH US EVEN FURTHER ON THAT  
21          REGULATORY PACKAGE TO GET IT DONE SOONER.  
22                       I DO KNOW STAFF IS WORKING HARD ON  
23          THIS, TRYING TO PUT TOGETHER WORKSHOPS ON C&D  
24          WASTES ALREADY.  
25                       MEMBER RELIS: CLARIFICATION THERE,

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1       250,000 IS BEING RESERVED, WE'LL CALL IT, SUBJECT  
2       TO RECEIVING THE REG PACKAGE, NOT APPROVING THE  
3       REG PACKAGE, CORRECT?

4               MS. ZWARTS: CORRECT. RECEIVING IT, AND  
5       AGAIN, THE MONEY DOESN'T GO ANYWHERE. THE  
6       EXPENDITURE AUTHORITY IS REDUCED. YOU CAN'T SPEND  
7       IT; BUT IF WE PROVIDED THE TWO DOCUMENTS, THE  
8       REPORT AND THE PROPOSED REGS, ON TIME, ACCORDING  
9       TO THE BUDGET, THE MONEY WOULD BE RELEASED FOR US  
10      TO SPEND.

11             MEMBER RELIS: SO EVEN THOUGH WE MAY  
12      STILL BE WELL IN THE REGULATORY PROCESS, AS WE  
13      KNOW, IT DOESN'T WRAP UP ALL THAT EASY, AND I  
14      WOULDN'T EXPECT THE C&D REGS WOULD TO BE A PIECE  
15      OF CAKE.

16             MS. ZWARTS: IT'S A RATHER COMPLICATED  
17      SET OF REGULATIONS AND MUCH FURTHER TO GO ON  
18      WORKING THOSE OUT WITH THE VARIOUS INTERESTED  
19      PARTIES, BUT IT'S AN IMPORTANT ISSUE AND THEY  
20      SHARE A PARTICULAR INTEREST IN IT AND, THAT'S WHY  
21      THEY REQUESTED THAT THE LEGISLATURE HAVE AN  
22      ABILITY TO SEE SOME PROPOSED REGS AT AN EARLY  
23      DATE.

24             CHAIRMAN JONES: WHAT'S THE LIKELIHOOD  
25      THAT WE'RE GOING TO BE ABLE TO LIVE WITH THAT OR



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1           LOSE THE QUARTER OF A MILLION?

2                       MS. ZWARTS:   WELL, I THINK STAFF, I'M  
3           SURE, ARE TRYING THEIR DARNDEST.   NO ONE WANTS TO  
4           LOSE OUR AUTHORITY FOR A QUARTER OF A MILLION  
5           DOLLARS, AND THE QUESTION IS HOW PROPOSED LOOKING  
6           SHOULD THE PROPOSED REGS BE?

7                       AND I GUESS WE'LL HAVE THAT  
8           CONVERSATION THIS AFTERNOON, AND WE'LL LET THEM  
9           KNOW ABOUT THAT, ABOUT OUR DILEMMA.

10                      CHAIRMAN JONES:   OKAY.   ANY OTHER  
11           QUESTIONS?

12                      MEMBER PENNINGTON:   MR. CHAIRMAN, I'LL  
13           MOVE ADOPTION OF --

14                      CHAIRMAN JONES:   WAIT A MINUTE.   I'M  
15           SORRY.   I NEGLECTED TO CALL ONE OF THE SPEAKERS.  
16           I APOLOGIZE.

17                      MR. -- I HAVE ONE SPEAKER SLIP, MR.  
18           LEARY FROM BFI.   SORRY ABOUT THAT.

19                      MR. LEARY:   GOOD MORNING, MR. CHAIRMAN  
20           AND MEMBERS OF THE COMMITTEE.   MY NAME IS MARK  
21           LEARY FROM BROWNING-FERRIS INDUSTRIES.   IS THIS  
22           WORKING?

23                      I HAVE ONE COMMENT THAT KIND OF  
24           PIGGYBACKS ON CHAIRMAN PENNINGTON'S IDEA, AND THE  
25           THOUGHT IS THAT WE KNOW THAT THE U.S. EPA IS ABOUT

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1 TO PROMULGATE THE FEDERAL REGULATIONS FOR THE  
2 PLANNING ASSURANCES BY CORPORATE GUARANTEE, BY  
3 CORPORATE FINANCIAL TEST.

4 WE'RE ANTICIPATING THOSE REGULATIONS  
5 TO BE RELEASED BY U.S. EPA SOMETIME THIS WINTER.  
6 IN FACT, THEY'VE BEEN PROMISED ANY DAY NOW BEFORE  
7 THIS PERIOD OF TIME.

8 WE'RE WONDERING ABOUT THE  
9 PROBABILITY OF A PLACEHOLDER HERE FOR THAT PACKAGE  
10 TO COME TO FRUITION. OBVIOUSLY IT'S SPURRED GREAT  
11 INTEREST TO MY COMPANY AND OTHER SOLID WASTE  
12 COMPANIES. THE EXECUTIVE ORDER APPEARS TO ALLOW  
13 SOMETHING -- TO BE AN EXCEPTION TO THE RULEMAKING  
14 CALENDAR PURSUANT TO STATE LAW OR FEDERAL LAW.

15 DOES THAT ALSO INCLUDE FEDERAL  
16 REGULATIONS WOULD BE MY COMMENT; AND IF THAT'S  
17 OKAY, THEN THERE PROBABLY IS NOT A NEED FOR A  
18 PLACEHOLDER, BUT IF NOT, I'D LIKE TO SEE IT. I'D  
19 LIKE TO SEE IT ADDED, ALTHOUGH THERE IS --

20 MS. ZWARTS: IF I COULD ASSIST WITH THAT.  
21 FEDERAL LAW WOULD INCLUDE FEDERAL REGULATIONS; SO  
22 IF FEDERAL REGS WERE RELEASED, WE COULD PREPARE A  
23 RATE PACKAGE IF NEEDED AND BE WITHIN THE LIMITS OF  
24 THE EXECUTIVE ORDER.

25 THERE'S ALSO NOTHING -- AS YOU

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1 RECALL -- AS YOU CAN SEE, A LOT OF THESE REG  
2 PACKAGES ARE JUST VERY SIMPLE DESCRIPTIONS. IF  
3 THERE'S A SIMILAR RATE PACKAGE, WE COULDN'T PUT  
4 THAT INTO THE EXISTING REGULATORY PACKAGE, AS  
5 WELL.

6 MR. CHANDLER: SO THAT WILL GO TO AGENCY  
7 NEXT?

8 MS. ZWARTS: THIS WILL GO TO AGENCY, OAL,  
9 AND EVENTUALLY THE GOVERNOR'S OFFICE.

10 MR. CHANDLER: THEN WHY DON'T WE INCLUDE  
11 IN OUR TRANSMITTAL OUR ACKNOWLEDGEMENT THAT IN  
12 TRANSMITTING THIS, WE ALSO RECOGNIZE IT WOULD MEET  
13 THE FEDERAL STATUTES AND FEDERAL REGULATIONS AND  
14 WE RESERVE THE RIGHT TO ACT ON THOSE AS THE BOARD  
15 DEEMS APPROPRIATE, SO WE'LL REINFORCE OUR  
16 UNDERSTANDING OF HOW THAT WORKS.

17 MS. ZWARTS: YES. WE CERTAINLY COULD PUT  
18 THAT IN THE COVER LETTER, THAT THE AGENCY IS  
19 TRANSMITTING THIS.

20 MR. LEARY: TERRIFIC. THANK YOU.

21 MEMBER PENNINGTON: I'M PREPARED TO MAKE  
22 A MOTION.

23 CHAIRMAN JONES: ALL RIGHT, MR. CHAIR.

24 MEMBER PENNINGTON: I'LL MOVE ADOPTION OF  
25 THE RULEMAKING CALENDAR TO 1998 REGULATORY

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1 OVERVIEW AND RULEMAKING CALENDAR REG.

2 MEMBER RELIS: SECOND.

3 CHAIRMAN JONES: WE HAVE A MOTION AND  
4 SECOND.

5 JEANNINE, WOULD YOU CALL THE ROLL?

6 THE SECRETARY: BOARD MEMBER RELIS?

7 MEMBER RELIS: AYE.

8 THE SECRETARY: MEMBER PENNINGTON?

9 MEMBER PENNINGTON: AYE.

10 THE SECRETARY: CHAIRMAN JONES?

11 CHAIRMAN JONES: AYE. YES.

12 ALL RIGHT. THANK YOU.

13 AGENDA ITEM NO. 2, CONSIDERATION OF  
14 THE EFFECTIVENESS OF THE LOS ANGELES COUNTY  
15 RUBBERIZED ASPHALT CONCRETE TECHNOLOGY CENTER AND  
16 ALLOCATION OF FUNDING FOR THE '97-'98.

17 MS. GILDART: GOOD MORNING. MARTHA  
18 GILDART WITH THE WASTE PREVENTION AND MARKET  
19 DEVELOPMENT DIVISION. I'M GOING TO BE TALKING  
20 ABOUT WHAT HAPPENED DOWN IN LOS ANGELES WITH  
21 RUBBERIZED ASPHALT.

22 AS YOU REMEMBER LAST YEAR, I THINK  
23 IT WAS IN DECEMBER, IN FACT, THE BOARD ALLOCATED  
24 \$500,000 FROM THE '96-'97 FISCAL YEAR TIRE FUND  
25 FOR A CONTRACT WITH LOS ANGELES COUNTY TO PROMOTE



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1 THE USE OF RUBBERIZED ASPHALT CONCRETE BY THE  
2 LOCAL GOVERNMENTS.

3 THE REASON WE ARE HERE TODAY IS TO  
4 LOOK AT THE PROGRESS MADE UNDER THAT CONTRACT AND  
5 WHETHER OR NOT AN ADDITIONAL \$500,000 THAT'S BEEN  
6 ALLOCATED FROM THE '97-'98 FISCAL YEAR TIRE FUND  
7 SHOULD BE PUT TO A SIMILAR EFFORT.

8 I'M GOING TO GIVE A VERY BRIEF  
9 BACKGROUND ON HOW THE CONTRACT WAS DEVELOPED AND  
10 WHAT WAS INTENDED TO ACHIEVE AND THEN LYNN  
11 NICHOLSON WITH LOS ANGELES COUNTY WILL BE GIVING  
12 YOU INFORMATION ON WHAT THEY HAVE DONE, AND THEN  
13 AFTER HE'S MADE HIS PRESENTATION, HE AND THE STAFF  
14 AND I WILL BE AVAILABLE FOR ANY QUESTIONS FROM THE  
15 MEMBERS.

16 THE CONTRACT WAS INTENDED TO PROMOTE  
17 THE USE OF RUBBERIZED ASPHALT CONCRETE. WE WERE  
18 HOPING TO SEE AN INCREASE IN USE. THE FEELING WAS  
19 THAT A LOCAL GOVERNMENT ENTITY WORKING WITH OTHER  
20 LOCAL GOVERNMENTS WOULD HAVE BETTER SUCCESS IN  
21 COMMUNICATING THE USEFULNESS OF THIS MATERIAL.

22 THE TECHNICAL MATERIAL WAS TO  
23 PROVIDE SERVICES TO LOCAL AGENCIES ON THE  
24 TECHNOLOGY. THEY WERE TO MAKE AVAILABLE THEIR  
25 LABORATORY EQUIPMENT AND PROCESSES. THEY

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1 WERE TO ESTABLISH AN OUTREACH, TRAINING AND  
2 EDUCATIONAL PROGRAM TO TRY AND PROMOTE THE USE  
3 THROUGHOUT THE STATE AND SET UP AN INTERNET WEB  
4 SITE TO GET THE WORD OUT.

5 THE BOARD HAD ALSO RETAINED APPROVAL  
6 RIGHT OF ACTUAL PROJECTS IF THEY ARE APPROACHED BY  
7 LOCAL GOVERNMENT, AND THERE'S, YOU KNOW, MORE THAN  
8 ONE REQUEST FOR THEIR ASSISTANCE, AND THE BOARD  
9 HAS A MECHANISM TO WORK WITH THE COUNTY ON THE  
10 SELECTION OF WHICH ONES WOULD GO WHEN.

11 TO EVALUATE THE SUCCESS OF THE  
12 PROGRAM, LOS ANGELES COUNTY HAS BEEN SUBMITTING  
13 QUARTERLY STATUS REPORTS, AND THERE'S ALSO A  
14 PROCESS UNDER DEVELOPMENT FOR JURISDICTIONS AS TO  
15 THE SURVEY FORM, CUSTOMER SATISFACTION SURVEY FORM  
16 THAT WOULD COME BACK TO THE BOARD AFTER THEY  
17 RECEIVED ASSISTANCE FROM THE COUNTY.

18 THE TIMELINE ON THE CONTRACT WAS  
19 SUCH THAT EVEN THOUGH IT WAS FISCAL YEAR '97-'98  
20 DOLLARS, THE ACTUAL CONTRACT THAT WE DEVELOPED WAS  
21 NOT SENT DOWN TO LOOK UNTIL APRIL, AND BY THE TIME  
22 THE COUNTY BOARD OF SUPERVISORS VOTED ON IT, IT  
23 WAS MID-JUNE, CAME BACK HERE FOR EXECUTION BY THE  
24 DEPARTMENT OF GENERAL SERVICES ON JULY 9TH.

25 SO THE COUNTY HAS BEEN WORKING ON

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1       THIS CONTRACT SINCE JULY, AND I THINK IF LYNN  
2       NICHOLSON IS READY, HE CAN GIVE YOU THE  
3       DESCRIPTION OF WHAT THEY'VE DONE TO DATE.

4                       LYNN.

5                       CHAIRMAN JONES:  ALL RIGHT.  MR.  
6       NICHOLSON.

7                       MR. NICHOLSON:  HI.  IF I MIGHT, I'VE GOT  
8       BROCHURES AND WORKBOOKS THAT I NEED TO PASS OUT AS  
9       WE'RE TALKING.

10                      THANK YOU FOR THIS OPPORTUNITY.  I'M  
11       THE HEAD OF THE RUBBERIZED ASPHALT CONCRETE  
12       TECHNOLOGY CENTER, WHICH IS A MOUTHFUL WHEN YOU'RE  
13       TRYING TO ANSWER THE PHONE, BUT WE COULDN'T THINK  
14       OF ANY SHORTER NAME.

15                      MARTHA HAS BASICALLY GONE OVER THE  
16       BASIS FOR THE CONTRACT WITH THE BOARD AND I THINK  
17       IT'S A GOOD IDEA.  SHE DIDN'T MENTION, I THINK, AS  
18       YOU PROBABLY KNOW, I RETIRED FROM REGULAR COUNTY  
19       SERVICE IN MARCH AND WAS BROUGHT ON AS A COUNTY  
20       EMPLOYEE ON A RETIREE BASIS SPECIFICALLY TO DO  
21       THIS PROGRAM, AND THAT'S MY ONLY JOB AND I GOT THE  
22       SUPPORT OF THE DEPARTMENT WHEN I NEED IT AND IT'S  
23       WORKING OUT, I THINK, VERY WELL.

24                      IF YOU LOOK IN THE PACKAGE THAT  
25       CAREN IS PACKING OUT OR PASSING OUT, I'VE INCLUDED

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1       WHAT I'M GOING TO TALK ABOUT IN THE GREEN PAGES.  
2       THE WHITE PAGES ARE PRESENTATION WORKBOOKS THAT  
3       I'VE PUT TOGETHER IN TALKING WITH THE CITIES AND  
4       THE COUNTIES ABOUT RUBBERIZED ASPHALT CONCRETE,  
5       SOME OF THE QUESTIONS THAT HAS COME UP AT OUR  
6       WORKSHOPS AND AT OUR BOOTH DISPLAYS.

7                       THE PICTURE THAT SHE'S PASSED OUT IS  
8       A PICTURE OF OUR BOOTH DISPLAYS AT THE COUNTY --  
9       CALIFORNIA STATE ASSOCIATION OF COUNTIES'  
10      CONVENTION A COUPLE OF WEEKS AGO IN BURLINGAME.

11                      WE ALSO DID THE SAME DISPLAY AT ITS  
12      SYMPOSIUM IN ANAHEIM AND THE LEAGUE OF CITIES  
13      CONFERENCE IN SAN FRANCISCO IN OCTOBER.

14                      WE RECEIVED AN AWFUL LOT OF INTEREST  
15      FROM THE PEOPLE THAT VISITED THE BOOTH, THE CITY  
16      COUNCILMEMBERS, COUNTY SUPERVISORS, ENGINEERS,  
17      PLANNERS, EVEN ATTORNEYS IN OUR PROCESS OF  
18      PROMOTING THE USE OF RUBBERIZED ASPHALT.

19                      WE'RE GOING TO DO THIS BY, AS MARTHA  
20      SAID, PROVIDING REGIONAL WORKSHOPS AT THE  
21      LOCATION. WE DID ONE IN ALAMEDA COUNTY. GENERAL  
22      SERVICES AUTHORITY DID ONE FOR THE WASTE  
23      MANAGEMENT BOARD, ALAMEDA COUNTY, AND I'VE DONE  
24      ONE ON THE PENINSULA CITIES, PALOS VERDES  
25      PENINSULA CITIES.



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1 WE'RE IN THE PROCESS OF SETTING UP  
2 MINI WORKSHOPS IN SOUTHERN CALIFORNIA AND  
3 BAKERSFIELD/FRESNO AREA AND, WE'RE CONSIDERING  
4 REGIONAL WORKSHOPS IN NORTHERN CALIFORNIA, IN  
5 SOUTHERN CALIFORNIA, AND CENTRAL CALIFORNIA.

6 THE REGIONAL WORKSHOPS WOULD BE A  
7 MUCH MORE FORMAL THING. THE MINI WORKSHOPS WILL  
8 BE AN HOUR, HOUR AND A HALF PRESENTATION THAT  
9 BASICALLY GIVES ALL OF THE INFORMATION AND  
10 HOPEFULLY WILL GET EVERYBODY EXCITED ABOUT USING  
11 RUBBERIZED ASPHALT.

12 WE WILL GIVE THEM TECHNICAL  
13 CONSULTATIONS. WE'LL PROVIDE COPIES OF CALTRANS  
14 SPECS, L.A. COUNTY GREEN BOOK SPECS, WHATEVER  
15 PROBLEMS THEY HAVE, WHATEVER THE QUESTIONS  
16 THEY HAVE IN THE USE OF RUBBERIZED ASPHALT WE'LL  
17 PROVIDE ASSISTANCE ON THAT.

18 WE ENCOURAGE THE CITIES TO THINK  
19 ABOUT USING RUBBERIZED ASPHALT WHENEVER THEY HAVE  
20 A RESURFACING PROJECT. WE'RE NOT ENCOURAGING THE  
21 CITIES TO THINK ABOUT RUBBERIZED ASPHALT ON FULL  
22 RECONSTRUCTION PROJECTS BECAUSE IT'S REALLY NOT  
23 COST-EFFECTIVE IN THAT WAY. IT'S BETTER ON THE  
24 RESURFACING.

25 IF YOU LOOK IN THE WORKBOOK LATER ON

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1       ON PAGE 16 THROUGH 20, I'VE SHOWN EXAMPLES ON HOW  
2       MUCH MONEY CAN BE SAVED USING RUBBERIZED ASPHALT,  
3       AND IT CAN AMOUNT UP TO \$30,000 PER 12-FOOT LANE  
4       MILE OF RESURFACING. SO THERE'S REALLY A COST  
5       INCENTIVE FOR THE CITIES TO START USING RUBBERIZED  
6       ASPHALT EVEN THOUGH IT COSTS MORE PER TON THAN  
7       CONVENTIONAL ASPHALT.

8               THE HOTLINE THAT WE HAVE, THE  
9       TOLL-FREE HOTLINE, WE GET ABOUT FOUR CALLS A DAY  
10      MONDAY THROUGH FRIDAY. I MONITOR IT FROM 6  
11      O'CLOCK IN THE MORNING TILL 6 O'CLOCK IN THE  
12      EVENING. I'M NOT AT THE DESK, BUT IT PAGES  
13      ME WHEN IT RINGS AND I CALL THEM BACK, AND IT'S  
14      BEEN WORKING OUT VERY GOOD.

15             THE RESPONSE THAT -- THE IMPRESSION  
16      I GET FROM PEOPLE THAT I TALK WITH, THEY'RE  
17      SURPRISED WHEN I GET BACK TO THEM SO QUICKLY WITH  
18      THEIR QUESTIONS, AND IT'S WORKING OUT REAL GOOD.

19             WE WILL PROVIDE ON-SITE ASSISTANCE.  
20      MY THOUGHT IS THAT WHEN THE CITY OR COUNTY THAT  
21      HAS THE NEW PROJECT AND THEY'RE NOT QUITE SURE  
22      WHAT IS NECESSARY ON INSPECTION OR THE PLANT OR  
23      THE MANUFACTURE OF RUBBERIZED ASPHALT CONCRETE, I  
24      WILL PROVIDE MYSELF OR ONE OF MY INSPECTORS TO  
25      GO TO THAT CITY AND SPEND THE DAY WITH THEM AND

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1 MAKE SURE THAT THE JOB IS DONE RIGHT.

2 IN TALKING WITH AGENCIES THAT HAVE  
3 USED RUBBERIZED ASPHALT CONCRETE, THE GREATER  
4 PERCENTAGE OF THEM HAVE HAD GOOD SUCCESS, BUT IT'S  
5 ALWAYS THE ONE OR TWO FAILURES THAT EVERYBODY  
6 TALKS ABOUT.

7 CALTRANS KEEPS TALKING ABOUT THE  
8 THREE OR FOUR FAILURES THEY'VE HAD, AND THESE  
9 FAILURES WERE CAUSED -- AND CALTRANS AGREES WITH  
10 THIS -- NOT BY THE PRODUCT, BUT BY EITHER  
11 CIRCUMSTANCES IN THE MANUFACTURE OR CIRCUMSTANCES  
12 IN THE LAYDOWN OF THE PRODUCT.

13 WE'VE HAD TWO EXAMPLES IN LOS  
14 ANGELES COUNTY WHERE THE FAILURE WAS CAUSED NOT BY  
15 THE PRODUCT, BUT THE WAY IT WAS MANUFACTURED AND  
16 PLACED, AND THIS IS WHAT WE WANT TO DO WITH THE  
17 ON-SITE ASSISTANCE.

18 WE'RE NOT GOING TO DO THEIR TOTAL  
19 INSPECTION FOR THEM AS PART OF THIS PROGRAM. I  
20 DON'T THINK THAT'S WHAT WE HAD IN MIND, BUT WE'LL  
21 GET THEM ON THE RIGHT TRACK ON THE FIRST DAY SO  
22 THAT THEY CAN FINISH THE JOB AND DO IT RIGHT.

23 I DON'T WANT TO TAKE TOO MUCH OF  
24 YOUR TIME, BUT ON PAGE 2 OF THE GREEN SHEETS,  
25 WE'LL JUST KIND OF GO OVER THE ACCOMPLISHMENTS TO

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1       DATE, AND I HAVE TO APOLOGIZE TO MARTHA ON THE  
2       STATUS REPORTS, THE MONTHLY STATUS REPORTS. I'VE  
3       DONE IT KIND OF BRIEF, I'VE COVERED EVERYTHING,  
4       BUT IT'S NOT.

5                   WE PERSONALLY DISTRIBUTED OVER 800  
6       BROCHURES AND A HUNDRED OF THESE WORKBOOKS TO  
7       COUNTY SUPERVISORS, CITY COUNCILMEMBERS, CITY  
8       MANAGERS, PUBLIC WORKS DIRECTORS, AND CITY  
9       ENGINEERS AT CONFERENCES.

10                   THIS IS THE I.T.S. CONFERENCE, THE  
11       LEAGUE OF CITIES, LEAGUE OF CALIFORNIA CITIES  
12       CONFERENCE IN SAN FRANCISCO AND THE RECENT CSET  
13       CONFERENCE, AND YOU'LL NOTICE THAT THE NUMBER OF  
14       ATTENDEES AT THESE CONFERENCES IS TREMENDOUS. OF  
15       COURSE, WE DIDN'T TALK TO EVERYBODY, BUT WE TALKED  
16       TO A GREAT NUMBER OF THEM.

17                   WE'VE MAILED BROCHURES TO EACH CITY  
18       ENGINEER AND OFFICE OF PUBLIC WORKS IN THE STATE  
19       OF CALIFORNIA. THEY WENT OUT ABOUT A MONTH AGO.  
20       THE RESPONSE IS COMING IN. I'VE GOTTEN ABOUT  
21       FORTY RESPONSES BACK TO DATE, AND I EXPECT QUITE A  
22       BIT MORE.

23                   A LOT OF TIMES PEOPLE GET BROCHURES  
24       AND THEY GET THE LITTLE COVER LETTER, AND IF  
25       THEY'RE LIKE ME, THEY'RE GOING TO LOOK AT THEM,



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1       MAYBE PUT THEM ASIDE UNTIL SOMETHING COMES UP.  
2       BUT THEY HAVE A BUSINESS REPLY CARD ON THE  
3       BROCHURE WHICH YOU CAN SEE. ALL THEY HAVE TO DO  
4       IS FILL IT OUT, I'LL CALL THEM, SET UP A MEETING  
5       OR JUST WHATEVER I CAN DO FOR THEM.

6                       WE'VE CONDUCTED THREE WORKSHOPS THAT  
7       I'VE MENTIONED. THE ALAMEDA COUNTY GENERAL  
8       SERVICES AUTHORITY HAD 26 PEOPLE, ENGINEERS AND  
9       MAINTENANCE PEOPLE.

10                      ONE OF THOSE, GEORGE BOLTON, IS VERY  
11       EXCITED ABOUT GETTING THE COUNTY TO ADMINISTER  
12       PROJECTS WITHIN CITIES SIMILAR TO THE WAY THE  
13       COUNTY OF LOS ANGELES DOES WHERE WE'LL TAKE A  
14       PROJECT AND WE'LL ADMINISTER A PROJECT THROUGH  
15       SEVERAL JURISDICTIONS. THE ADVANTAGE OF DOING  
16       THIS WITH RUBBERIZED ASPHALT CONCRETE IS THAT YOU  
17       CAN GET MORE TONNAGE.

18                      MOST OF THESE CITIES I TALK WITH,  
19       THE SMALL CITIES, THEY RESURFACE 3 TO 4,000 TONS A  
20       YEAR ON SEVERAL PROJECTS.

21                      RUBBERIZED ASPHALT CONCRETE IS NOT  
22       COST-EFFECTIVE AT THIS RATE IF YOU NEED 10 TO  
23       12,000 TONS ON A PROJECT OR PROJECTS BACK TO BACK  
24       IN ORDER FOR COMPANIES TO EFFECTIVELY BID  
25       RUBBERIZED ASPHALT AS AN ALTERNATIVE.

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1                   THEY GAVE PRESENTATIONS TO 70 COUNTY  
2           ENGINEERS AT THE SEASIDE CONFERENCE IN BURLINGAME  
3           A COUPLE WEEKS AGO; WENT OVER VERY GOOD.

4                   THE COUNTY ENGINEER PEOPLE, I THINK,  
5           WERE MORE INTERESTED AS A WHOLE THAN THE CITY  
6           PEOPLE. I'M NOT SURE OF THE REASON FOR THAT  
7           EXCEPT THAT THEY MIGHT HAVE LARGER PROJECTS IN  
8           WHICH THE RUBBERIZED ASPHALT CONCRETE WOULD BE  
9           MORE SUITABLE, ALTHOUGH SOME OF THE SUPERVISORS  
10          SAID THAT THEY'RE LOSING 40 MILES A YEAR OF  
11          ASPHALT PAVEMENT TO DIRT BECAUSE THEY DON'T HAVE  
12          ENOUGH MONEY, AND THIS IS A PROBLEM I THINK THAT  
13          IS STATEWIDE IN SOME OF THE OUTLYING COUNTIES.

14                  THROUGH THE ASSISTANCE REPORTS, AS I  
15          MENTIONED, OVER 50, THERE WAS A HOTLINE.  
16          ACTUALLY, IT'S MORE THAN THAT, BUT A LOT OF THEM  
17          WERE RETURN CALLS WITH OTHER STAFF, SO I'VE KIND  
18          OF COMBINED IT, AND WE PUBLISHED ARTICLES IN THE  
19          PUBLIC WORKS JOURNAL, THE WASHINGTON TIRE  
20          REPORT, CALIFORNIA TIRE REPORT, THE RTA  
21          NEWSLETTER, SOUTHERN CALIFORNIA NEWSPAPER GROUP,  
22          AND THE CDAC NEWSLETTER AND BIOCYCLE MAGAZINE, AND  
23          I'VE BEEN GETTING CALLS FROM THROUGHOUT THE  
24          COUNTRY AS A RESULT OF THESE.

25                  I GIVE THEM THE INFORMATION. MY

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1       GOAL IS TO WORK WITHIN CALIFORNIA, BUT I HAVE  
2       PROVIDED BROCHURES AND THE WORKBOOK TO PEOPLE FROM  
3       OUT OF STATE.

4                   GOING ON TO PAGE 3 QUICKLY, A  
5       SUMMARY OF THE INFORMATION WE'VE RECEIVED FROM OUR  
6       CONTACTS. ALMOST EVERYBODY'S INTERESTED IN USING  
7       RUBBERIZED ASPHALT.

8                   THERE ARE CONCERNS ABOUT THE LIMITED  
9       SOURCES OF CRUMB-RUBBER. AT THE CURRENT TIME,  
10      THERE'S ONLY ONE MANUFACTURER OF CRUMB-RUBBER, AND  
11      THAT'S IN SAN BERNARDINO. HE IS NOT BEYOND HIS  
12      CAPACITY, SO THAT ISN'T A REAL PROBLEM, BUT I'VE  
13      HAD CONTACT FROM A GUY NAMED LARRY BARTON, I THINK  
14      HIS NAME IS, WHO IS CONSIDERING ESTABLISHING A  
15      CRUMB-RUBBER MANUFACTURING PLANT IN ALAMEDA  
16      COUNTY.

17                   IF THAT HAPPENS, THEN CRUMB-RUBBER  
18      WILL BE AVAILABLE, MORE AVAILABLE IN CENTRAL AND  
19      NORTHERN CALIFORNIA, WHICH WILL HELP THE COSTS.  
20      SMALL JOBS ARE NOT EFFECTIVE USE OF CRUMB-RUBBER.  
21      I THINK WE HAVE TO REALIZE THIS, AND IN TALKING  
22      WITH THE PUBLIC OFFICIALS, IF THEY HAVE A SMALL  
23      JOB AND THEY'RE NOT GOING TO DO A LOT OF  
24      ENGINEERING TO DETERMINE WHETHER OR NOT RUBBERIZED  
25      ASPHALT IS COST-EFFECTIVE AND THEY'RE JUST GOING

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1 TO RECONSTRUCT OR THEY'RE JUST GOING TO PUT AN  
2 INCH OF ASPHALT DOWN, IT'S NOT COST-EFFECTIVE.

3 RUBBERIZED ASPHALT IS STRONGER, MORE  
4 DURABLE THAN CONVENTIONAL ASPHALT, BUT IT HAS TO  
5 BE USED IN THE RIGHT SPOTS. IF WE USE IT IN THE  
6 WRONG SPOTS, IT'S JUST GOING TO COST THEM MONEY  
7 BECAUSE THEY'RE REALLY NOT GOING TO TAKE THE  
8 BENEFITS OF IT.

9 MOST CITIES USE RUBBERIZED ASPHALT  
10 BECAUSE IT LOOKS BETTER, RIDES BETTER, IS QUIETER  
11 AND BECAUSE THERE IS A PROPONENT OF RUBBERIZED  
12 ASPHALT WITHIN THE CITY THAT'S PUSHING IT.

13 THE CITY OF PALOS VERDES ESTATES HAS  
14 A PROPONENT ON THE CITY COUNCIL AND HE WANTS  
15 RUBBERIZED ASPHALT ON EVERY STREET IN THE CITY,  
16 AND THE REASON HE LIKES IT IS BECAUSE IT STAYS  
17 NEW, LOOKING NEW LONGER AND IT'S QUIETER, HE SAYS,  
18 AND I'VE HEARD THAT FROM SEVERAL PEOPLE, THAT IT  
19 IS QUIETER. I BELIEVE IT MYSELF, BUT I DON'T  
20 THINK THERE'S ANY REAL REPORTS ON IT, ALTHOUGH RTA  
21 CLAIMS TO HAVE ONE.

22 RUBBERIZED ASPHALT IS PERCEIVED BY A  
23 FEW PEOPLE TO BE HAZARDOUS OR NON-RECYCLABLE.  
24 THEY'RE CONCERNED ABOUT FIRES. EVERYBODY'S HEARD  
25 ABOUT THE ROAD FILL IN OREGON AND WASHINGTON THAT



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1           STARTED ON FIRE.  IT'S NOT GOING TO HAPPEN HERE.

2                           RUBBERIZED -- RUBBER BURNS AT 650  
3           DEGREES.  ASPHALT BURNS AT 400 AND SOME DEGREES,  
4           SO IF THERE'S GOING TO BE A FIRE, IT'S GOING TO BE  
5           ASPHALT, RIGHT?  AND THERE'S ONLY 30 POUNDS OF  
6           RUBBER PER TON OF ASPHALT, SO WE'RE NOT TALKING  
7           ABOUT BIG CHUNKS IN THE ROAD FILL.

8                           IT CAN BE MILLED AND RECYCLED.  WE  
9           HAVE A COMPANY IN LOS ANGELES THAT'S RECYCLING,  
10          THAT'S WORKING WITH THE CITY OF LOS ANGELES ON  
11          RECYCLING ASPHALT PAVEMENT BY JUST BRINGING IT TO  
12          THE PLANT, SENDING IT THROUGH THE CRUSHERS, ADDING  
13          A LITTLE BIT OF ASPHALT, IF NECESSARY, AND THEY  
14          CAN ADD A LITTLE BIT OF RUBBER IF THEY WANT, SO IT  
15          IS RECYCLABLE.

16                          SOME OF THE -- ONE OF THE THINGS  
17          THAT KIND OF BOTHERED ME IS THAT BEING FROM THE  
18          COUNTY OF LOS ANGELES AND HAVING A LOT OF  
19          FACILITIES TO DO ENGINEERING DESIGN WHEN IT COMES  
20          TO ROADWAYS, STRUCTURAL SECTIONS, I GUESS I GOT TO  
21          KIND OF THINK THAT EVERYBODY DOES THIS.

22                          I MEAN, A ROADWAY STRUCTURAL SECTION  
23          ANALYSIS COSTS ABOUT \$5,000 PER MILE.  THIS IS  
24          MAXIMUM, AND YET MOST CITIES DON'T DO IT.  THEY GO  
25          OUT AND LOOK AT A JOB THAT LOOKS LIKE IT'S

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1 ALLIGATOR. "LET'S PUT THREE INCHES OF ASPHALT ON  
2 IT."

3 TO ME, THAT'S A WASTE OF MONEY.  
4 THEY'RE NOT DOING THE \$5,000 WORTH OF PRELIMINARY  
5 WORK TO DETERMINE WHETHER THEY NEED THREE INCHES  
6 OR TWO INCHES OR FULL RECONSTRUCTION, BUT THERE'S  
7 A -- I GUESS THEY HAVE A HANGUP WITH THE UP-FRONT  
8 MONEY AND THEY PUT TWO INCHES DOWN, IT LASTS QUITE  
9 A WHILE, BUT MAYBE THEY ONLY NEEDED AN INCH AND A  
10 HALF. THEY COULD HAVE DONE SOME MORE STREETS.

11 THEY DON'T -- A LOT OF THE CITIES  
12 DON'T PROVIDE QUALITY ASSURANCE. THEY DON'T  
13 PROVIDE JOB INSPECTION. I DON'T THINK THAT THAT'S  
14 THE PURPOSE OF THIS ORGANIZATION, TO PROVIDE THAT  
15 FOR THEM, BUT I'M JUST TRYING TO STRESS WITH THE  
16 CITIES AS I TALK TO THEM AND THE COUNCIL MEMBERS  
17 AND THE COUNTY SUPERVISORS THAT IF YOU WANT A GOOD  
18 JOB, YOU'RE GOING TO HAVE TO INSPECT IT, AND I  
19 THINK I'VE GOT THE WORD ACROSS. WHETHER OR NOT  
20 IT'S GOING TO DO ANY GOOD, I DON'T KNOW.

21 FUTURE PROGRAM GOALS. THROUGH  
22 THE -- WE'VE GOT ANOTHER YEAR TO GO ON THIS  
23 CURRENT CONTRACT THROUGH NOVEMBER OF '98. WE WILL  
24 CONTINUE TO PROVIDE THE OUTREACH SERVICES THAT WE  
25 HAVE, THE CONFERENCES, THE ONE-ON-ONE CONTACTS.

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1 AS SOON AS CITIES GET SOME PROJECTS TOGETHER,  
2 WE'LL PROVIDE THE ON-SITE ASSISTANCE, HELP THEM  
3 WITH THEIR SPECIFICATIONS.

4 WE'RE GOING TO ENCOURAGE MORE  
5 COMPANIES TO PROVIDE THE MATERIAL. IF CRUMB-  
6 RUBBER IS THE BASIC MATERIAL, THE BLENDING  
7 EQUIPMENT HAS TO BE BROUGHT INTO THE SITE, INTO  
8 THE AREA, AND THIS CAN BE DONE BY GETTING THE  
9 COMPANIES EXCITED ABOUT BRINGING THE EQUIPMENT IN  
10 AND GETTING THE CITIES AND THE COUNTIES EXCITED  
11 ABOUT USING THE PRODUCT. ONCE THE PRODUCT STARTS  
12 TO BE USED, THE COMPANIES WILL BE IN THERE BECAUSE  
13 THAT'S THEIR LIVELIHOOD.

14 WE'RE GOING TO ENCOURAGE THE CITIES  
15 AND THE COUNTIES TO COMBINE THEIR PROJECTS SO THAT  
16 INSTEAD OF ALAMEDA COUNTY, FOR EXAMPLE, THEY WANT  
17 TO -- IF THEY'RE WORKING ON A PROPOSAL TO GET WITH  
18 THE 14 CITIES IN THEIR COUNTY AND COME UP WITH  
19 SHARED PROJECTS WHICH THE CITY WILL PAY THEIR  
20 SHARE AND ALAMEDA COUNTY WILL DO THE  
21 ADMINISTRATION OF IT. THAT WAY YOU CAN GET  
22 PROJECTS -- INSTEAD OF 2,000 TONS, YOU CAN GET  
23 12,000 TONS ON A SINGLE PROJECT. THAT CAN BRING  
24 THAT BLENDING PLANT INTO THE AREA TO DO RUBBERIZED  
25 ASPHALT, AND WE'RE GOING TO ENCOURAGE THE CITIES

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1 TO PROVIDE ADEQUATE INSPECTION AND TO PERFORM THE  
2 PAVEMENT TESTING AND ANALYSIS PRIOR TO DOING THE  
3 PLANS AND SPECIFICATIONS.

4 I BELIEVE THAT YOU'VE GOT TO HAVE A  
5 FIRM FOUNDATION FOR ANY STRUCTURE. A ROADWAY IS A  
6 STRUCTURE; A HOUSE IS A STRUCTURE. IF YOU BUILD A  
7 HOUSE ON A LANDSLIDE AND DIDN'T REALIZE YOU'RE  
8 GOING TO HAVE A PROBLEM WHICH IS GOING TO RUIN THE  
9 WHOLE HOUSE, RIGHT? IF YOU BUILD A HOUSE ROAD AND  
10 YOU DON'T BUILD A PROPER ROAD STRUCTURE, YOU'RE  
11 WASTING YOUR MONEY. IT'S NOT GOING TO LAST SO  
12 LONG AS YOU THOUGHT IT WOULD OR YOU'RE OVER-  
13 COMPENSATING BY PROVIDING MORE THAN YOU NEED.  
14 AS I MENTIONED BEFORE, THE PAVEMENT TESTING.

15 ANALYSIS IS VERY INEXPENSIVE.  
16 \$5,000 PER MILE IS A MAXIMUM COST THAT WE RUN  
17 INTO, AND I'VE CHECKED WITH SEVERAL CONSULTANTS  
18 AND THEY AGREE WITH THAT. SO I'M GOING TO  
19 ENCOURAGE THE CITIES TO DO THIS, GET THE INITIAL  
20 STEP WHERE THEY START RUNNING ON A PROJECT. I'LL  
21 GET INTO PROJECTION OF EXPENSES. WE'VE ACTUALLY  
22 ONLY BILLED ABOUT \$12,000 SO FAR, BUT WE'VE SPENT  
23 ABOUT \$70,000, AND THE REASON THAT THE FULL  
24 \$70,000 HASN'T BEEN BILLED IS BECAUSE OF THE  
25 VARIOUS POSTING DATES ON THE CHARGES.



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1 WE'RE GOING THROUGH THE COUNTY'S  
2 FINANCIAL SYSTEM AND EVERYTHING -- NOTHING GETS  
3 BILLED UNTIL IT ACTUALLY HITS. AS YOU CAN SEE  
4 THERE, WE'VE GOT ABOUT \$50,000 EXPENDED IN STAFF  
5 TIME. THE BROCHURES, WORKBOOKS AND BOOTH DISPLAY  
6 COSTS ABOUT \$14,000. THE CONSULTANT WE HAD DOING  
7 THAT HAS A CONTRACT WITH THE COUNTY JUST SUBMITTED  
8 HIS BILL TWO WEEKS AGO, SO THAT WILL BE HITTING  
9 CONFERENCES, TRAVEL, WORKSHOP ANOTHER SIX, SO  
10 WE'VE SPENT ABOUT \$70,000. PROJECTED EXPENSES  
11 THROUGH NOVEMBER OF '98, I DON'T KNOW IF YOU'RE  
12 FAMILIAR WITH THE VARIOUS TASKS THAT WE HAVE, BUT  
13 BASICALLY THEY'RE CONSULTATION SERVICES,  
14 WORKSHOPS, SETTING UP A WEB SITE, STATUS REPORTS,  
15 THAT KIND OF THINGS.

16 AND I'VE GONE THROUGH AND ESTIMATED  
17 THE TOTAL ESTIMATED EXPENDITURES THROUGH NOVEMBER  
18 OF '98, WHICH IS 410,000 OUT OF THE 500,000 THAT  
19 WAS BUDGETED FOR THIS PROGRAM. RECOMMENDATIONS  
20 FOR FUTURE -- FOR '97-'98 ALLOCATION IF I MIGHT.  
21 I'VE TALKED A LITTLE BIT ABOUT THIS WITH STAFF,  
22 BUT NOT REALLY IN DETAIL, SO THEY'RE NOT REALLY  
23 AWARE OF WHAT I'M PROPOSING, BUT I WOULD LIKE YOU  
24 TO CONSIDER IT.

25 AS I MENTIONED BEFORE, ONE OF THE

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1 PROBLEMS THAT THE CITIES HAVE IS THAT THEY'RE NOT  
2 DOING THE ENGINEERING BECAUSE THEY DON'T HAVE THE  
3 MONEY OR THEY PERCEIVE THEY DON'T HAVE THE MONEY  
4 TO DO THE ENGINEERING. AS YOU CAN SEE FROM OUR  
5 EXPENDITURES, OUR PROPOSED ESTIMATED EXPENDITURES  
6 THROUGH FOR ANOTHER YEAR, WE'RE NOT GOING TO  
7 SPEND, I DON'T BELIEVE, THE FULL \$500,000, BUT I  
8 WOULD LIKE TO EXTEND THE PROGRAM FOR ANOTHER YEAR  
9 AT \$150,000 TO COVER THE CENTER'S EXPENSES FOR  
10 THAT ADDITIONAL YEAR, INCLUDING THE HUNDRED  
11 THOUSAND WE'RE NOT GOING TO SPEND, OR IN ADDITION  
12 TO THE HUNDRED THOUSAND WE'RE NOT GOING TO SPEND,  
13 AND THEN SET ASIDE SOME MONEY -- AND I'VE BEEN  
14 OFFERED A SUGGESTION OF \$350,000 -- TO BE USED TO  
15 HELP THE CITIES GET INTO RUBBERIZED ASPHALT  
16 CONCRETE PROJECTS. A LOT OF THEM WOULD LIKE TO  
17 USE IT, BUT THEY CAN'T SELL IT BECAUSE IT COSTS  
18 MORE PER TON. IF THEY DO THE ENGINEERING TO FIND  
19 OUT -- AS YOU CAN SEE IN MY WORKBOOK, MY  
20 CALCULATIONS, THAT WHILE IT COSTS MORE PER TON,  
21 THEY CAN SAVE A BUNCH OF MONEY ON PROJECTS, UP TO  
22 HUNDRED THOUSAND DOLLARS ON A MAJOR HIGHWAY  
23 RESURFACE, OR A MILLION DOLLARS IF RUBBERIZED  
24 ASPHALT IS PROPER FOR FULL RECONSTRUCTION.  
25 I THINK THEY'RE NOT DOING THIS

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1       BECAUSE THEY DON'T KNOW THAT IT'S REALLY  
2       COST-EFFECTIVE FOR THEM TO DO THIS. MY PROPOSAL,  
3       MY RECOMMENDATION FOR YOUR CONSIDERATION IS THAT  
4       OUT OF THE \$500,000 THAT WOULD BE ALLOCATED TO THE  
5       CENTER, YOU TAKE 350,000 OF THAT AND USE THAT TO  
6       HELP THESE CITIES DO THAT UP-FRONT ENGINEERING  
7       STUDY AT A MAXIMUM COST OF \$5,000. THAT WOULD  
8       GIVE YOU 70 PROJECTS ON BOARD; AND IF EACH PROJECT  
9       IS 5 TO 10,000, THAT'S, WHAT, 350 TO 700,000 TONS  
10      OF RUBBERIZED ASPHALT THAT WE'RE PUTTING DOWN, AND  
11      EACH TON USES THREE TIRES, SO YOU'RE TALKING ABOUT  
12      TWO MILLION TIRES USED.

13                   I MEAN, THE NUMBERS ARE REALLY  
14      TREMENDOUS IF YOU CAN GET THE CITIES, GIVE THEM AN  
15      INCENTIVE TO START USING THIS. MY PROPOSAL WOULD  
16      BE TO SET ASIDE UP TO \$5,000 PER PROJECT FOR THIS  
17      UP-FRONT ENGINEERING. IN TALKING WITH CAREN, I  
18      PROPOSED THAT RATHER THAN HAVING THE BOARD STAFF  
19      ANALYZE WHAT CITIES SHOULD GET THIS, I WOULD  
20      CONTACT EACH CITY AND GIVE THEM A FORM TO FILL OUT  
21      OR AN OPTION TO HIRE A CONSULTANT OR DO THE WORK  
22      IN-HOUSE WITH THE IDEA THAT ONCE THEIR PROJECT IS  
23      APPROVED -- AND I COULD APPROVE THAT IF YOU WOULD  
24      LIKE -- THAT THE BOARD WOULD THEN REIMBURSE THEM  
25      FOR THEIR COST OF THAT STUDY UP TO \$5,000, AND I

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1        THINK IT WOULD BE A GREAT INCENTIVE FOR THE CITIES  
2        TO GET -- START USING THE RUBBERIZED ASPHALT.

3                    IN ADDITION, I WOULD SUGGEST THAT  
4        WHEN COUNTIES ADMINISTER JOINT PROJECTS, THERE'S  
5        SOME UP-FRONT COST, ADMINISTRATION COST THAT  
6        REALLY DOESN'T BENEFIT THE COUNTY A WHOLE LOT, AND  
7        I WOULD PROPOSE THAT YOU MIGHT CONSIDER PROVIDING  
8        UP TO \$5,000 PER PROJECT TO ALAMEDA COUNTY, FOR  
9        EXAMPLE, AS THEY GET PROJECTS WITHIN CITIES, JOINT  
10       PROJECTS WHERE YOU CAN GET THE TONNAGE UP.  ONCE  
11       YOU GET THE CITIES TO START USING THIS, IT'S GOING  
12       TO GO LIKE WILD FIRE.

13                   SOUTHERN CALIFORNIA, ABOUT 70  
14       PERCENT OR 80 PERCENT OF OUR RESURFACING PROJECTS  
15       USE RUBBERIZED ASPHALT CONCRETE.  FIVE YEARS AGO,  
16       IT MIGHT HAVE BEEN 5 PERCENT, BUT WE STARTED USING  
17       IT, WE REALIZE HOW MUCH MONEY WE'RE SAVING, AND  
18       WE'RE GOING TO KEEP ON USING IT, AND AS THE  
19       PRODUCT GETS STARTED USING MORE AND MORE, THE  
20       QUALITY CONTROL GETS BETTER, THE MORE CONTRACTORS  
21       ARE FAMILIAR WITH IT, SO IT'S KIND OF A  
22       MUSHROOMING THING.  YOU START AND IT KEEPS GOING  
23       AND IT KEEPS GOING.

24                   ANYWAY, I'VE TAKEN UP A LOT OF YOUR  
25       TIME, BUT I DID WANT TO GET THROUGH THIS.  I DO



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1        THINK THAT THE COUNTY OF LOS ANGELES IS THE  
2        VEHICLE FOR THIS TYPE OF A PROGRAM.    IN TALKING  
3        WITH CITIES AND COUNTIES, FIRST OF ALL, WE HAVE TO  
4        TELL THEM WE'RE NOT SELLING ANYTHING BECAUSE THEY  
5        DON'T BELIEVE US THAT WE'RE NOT A COUNTY  
6        ORGANIZATION.    WE HAVE TO STRESS THAT, BUT WHEN  
7        THEY DO REALIZE THAT, THEY FEEL A LITTLE BETTER  
8        BECAUSE THEY KNOW THAT WE'RE NOT PROMOTING ASPHALT  
9        OR A PRODUCT IN ORDER TO MAKE MONEY FOR THE  
10       COUNTY.    WE'RE PROMOTING IT FOR ENVIRONMENTAL  
11       REASONS, WE'RE PROMOTING IT BECAUSE YOU'VE SEEN  
12       FIT TO FUND US, WHICH IS GREAT, AND I THINK THAT  
13       THE COUNTY OF LOS ANGELES IS PROBABLY THE BEST  
14       AGENCY TO DO THIS TYPE OF THING, AND I WOULD  
15       RECOMMEND THAT THE PROGRAM BE EXTENDED, MY  
16       RECOMMENDATIONS AS FAR AS HOW THE MONEY WOULD BE  
17       ALLOCATED BE CONSIDERED.    SO THANK YOU.

18                CHAIRMAN JONES:    DOES ANYBODY HAVE ANY  
19        QUESTIONS FOR MR. NICHOLSON?

20                MEMBER RELIS:    NOT A QUESTION AT THIS  
21        POINT, BUT MORE -- WHEN YOU'RE READY, I HAVE SOME  
22        COMMENTS.

23                CHAIRMAN JONES:    ANY QUESTIONS?

24                MEMBER PENNINGTON:    NO, I DON'T HAVE ANY  
25        QUESTIONS.

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1                   CHAIRMAN JONES: I HAVE A COUPLE OF  
2                   QUESTIONS.

3                   I KNOW THIS WAS A TIGHTLY WRITTEN  
4                   AGREEMENT, KIND OF LIMITED ON WHAT YOU CAN DO.  
5                   THE INSPECTIONS THAT YOU WERE TALKING ABOUT THAT  
6                   YOU DIDN'T THINK WERE PART OF THE PROCESS AND  
7                   PROBABLY WEREN'T PART OF THE PROJECT, BUT IF -- IF  
8                   YOU PERFORMED THOSE THINGS, IF YOU WENT OUT, YOU  
9                   KNOW, AND DID A FIRST CUT TO MAKE SURE THEY HAD  
10                  ALL THE STUFF IN PLACE AND THEY KNEW WHAT WAS  
11                  GOING ON, THAT HELPS SELL -- SELL -- THE SUCCESS  
12                  HELPS SELL RUBBERIZED ASPHALT.

13                 MR. NICHOLSON: THAT'S RIGHT.

14                 CHAIRMAN JONES: IS THERE ENOUGH TIME TO  
15                 ADD THAT? LET'S SAY THAT WE LOOK AT YOUR  
16                 RECOMMENDATION. DOES PART OF IT INCLUDE --

17                 MR. NICHOLSON: YES.

18                 CHAIRMAN JONES: -- YOUR TIME DOING THE  
19                 INITIAL INSPECTION AND SOME HELP DURING THE  
20                 PROJECT?

21                 MR. NICHOLSON: YES. I BUDGETED A  
22                 HUNDRED THOUSAND DOLLARS THIS YEAR FOR ON-SITE  
23                 ASSISTANCE. THAT'S A LOT OF -- A LOT OF TRIPS, SO  
24                 YES. THE BUDGET THAT I'VE ESTIMATED SPENDING  
25                 THROUGH NOVEMBER OF '98, THE 410,000 INCLUDES

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1        THAT.  THE ADDITIONAL 150,000 THAT I'VE PROPOSED  
2        WOULD ALSO INCLUDE THAT.

3                    WE SPENT A LOT OF TIME AND MONEY IN  
4        GETTING UP AND RUNNING HERE.  THE BOOTH DISPLAYS,  
5        THE BROCHURES, THE WORKBOOKS HAVE ALL TAKEN A LOT  
6        OF TIME, BUT I THOUGHT THAT IT WAS VERY NECESSARY  
7        TO MAKE THE CITIES AND COUNTIES AWARE OF WHAT WE  
8        CAN OFFER BEFORE WE HIT 'EM COLD.

9                    CHAIRMAN JONES:  I AGREE WITH YOU.  I  
10       THINK IT'S IMPORTANT.  I LOOKED THROUGH -- I  
11       DIDN'T -- I DIDN'T TAKE YOUR THING BECAUSE I  
12       THOUGHT I HAD ONE, I DIDN'T HAVE THE GREEN PAGES,  
13       BUT, YOU KNOW, YOU TALK A LOT ABOUT REGIONALIZE.  
14       AND OBVIOUSLY IF YOU'VE GOT THE EQUIPMENT IN A  
15       REGION, THEN THERE'S A BENEFIT TO THOSE WHO USE  
16       IT.

17                   MR. NICHOLSON:  RIGHT.

18                   CHAIRMAN JONES:  IS THERE A WAY TO  
19       PROMOTE THAT WHEN YOU'RE GOING OUT AND DOING YOUR  
20       REGIONAL WORKSHOPS?  YOU'VE GOT A LOT OF EXAMPLES  
21       OF WHERE THERE'S COST SAVINGS AND STUFF.  ARE YOU  
22       ABLE TO TAILOR -- WOULD YOU BE ABLE TO TAILOR  
23       THOSE, WHERE YOU WENT IN AND DID A WORKSHOP AND  
24       YOU KNEW THAT THERE WERE ITEMS IN FOUR OR FIVE OF  
25       THESE SURROUNDING CITIES THAT --

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1                   MR. NICHOLSON:  OH, CERTAINLY.

2                   CHAIRMAN JONES:  -- WOULD HELP YOU, WOULD  
3                   HELP EVERYBODY IN PROMOTING THIS?

4                   MR. NICHOLSON:  THE ALAMEDA COUNTY WASTE  
5                   MANAGEMENT WORKSHOP, WHICH WOULD BE HELD NOVEMBER  
6                   5TH, HAD 108 PEOPLE FROM THE 14 CITIES AND THE  
7                   COUNTY THERE, AND AS A RESULT OF THAT, PLUS MY  
8                   PREVIOUS WORKSHOP WITH ALAMEDA COUNTY, THE COUNTY  
9                   IS PUTTING TOGETHER PROGRAMS WHERE THEY CAN  
10                  REGIONALIZE THE PROJECT.  AND WE USED -- THE  
11                  WORKSHOP USED A PERSON FROM GRANITE CONSTRUCTION,  
12                  RAJKA WAJZI, WHO DID ONE OF THE PRESENTATIONS, AND  
13                  HIS COMPANY HAS A BLENDING UNIT TO BLEND THE  
14                  RUBBER WITH THE ASPHALT, BUT IT'S AN AFFORDABLE  
15                  UNIT, BUT IT COSTS ABOUT \$10,000 TO BRING INTO AN  
16                  AREA.  SO IF YOU CAN DO A 10,000 TON PROJECT, THE  
17                  COST OF TRANSPORTING THE EQUIPMENT IS ONLY A  
18                  DOLLAR A TON.

19                  CHAIRMAN JONES:  RIGHT.

20                  MR. NICHOLSON:  YOU'RE NOT GOING TO GET  
21                  THAT KIND OF A PRESS BECAUSE CONTRACTORS THAT  
22                  AREN'T FAMILIAR WITH THE PROJECT ARE GOING TO BID  
23                  A LITTLE HIGHER.  WE'RE GETTING PRICES IN L.A.  
24                  COUNTY FOR \$39 TO \$40 A TON FOR SIX-TO TEN-TON  
25                  PROJECTS.



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1                   CHAIRMAN JONES: I WENT THROUGH YOUR --  
2                   YOU FOLKS HAVE SPENT ABOUT TWO MILLION, ALMOST  
3                   \$2,300,000 ON THESE PROJECTS, BUT GOT RID OF  
4                   51,000 TONS OF MATERIAL. THAT'S PRETTY IMPRESSIVE  
5                   AND THEY'RE REGIONAL AND IT MAKES A LOT OF SENSE.  
6                   YOUR RANGES GO FROM \$60 TO 41, I THINK, FOR AN  
7                   AVERAGE COST OF \$45 A TON.

8                   MR. NICHOLSON: THAT'S ONLY ONE MONTH'S  
9                   WORTH.

10                  CHAIRMAN JONES: RIGHT, AND I THINK  
11                  THAT'S IMPORTANT. THAT'S WHAT WE DO HERE ALL THE  
12                  TIME IS LET PEOPLE KNOW WHAT THE ADVANTAGES ARE TO  
13                  DIFFERENT -- TO CHANGE, YOU KNOW, AND --

14                  MR. NICHOLSON: RIGHT.

15                  CHAIRMAN JONES: -- IT'S IMPORTANT.

16                  MR. NICHOLSON: IF I MIGHT? THAT'S ONE  
17                  OF THE REASONS THAT THAT PAVEMENT EVALUATION STUDY  
18                  IS SO IMPORTANT, BECAUSE ONCE THE RESULTS COME IN,  
19                  AND IF YOU SEE MY EXAMPLE, IT REQUIRES 4 INCHES OF  
20                  CONVENTIONAL ASPHALT. IF YOU CAN SAVE A LANE MILE  
21                  BY USING RUBBERIZED, THEY WON'T KNOW THAT, AND  
22                  THERE'S SO MANY CITIES THAT DON'T DO IT.

23                  I'M NOT PROPOSING THAT WE DO IT FOR  
24                  'EM, BUT THEY SHOULD DO IT OR HIRE A CONSULTANT.  
25                  THERE'S A LOT OF PEOPLE THAT CAN DO THAT.

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1                   CHAIRMAN JONES:   AND WE SHOULD PAY FOR  
2           IT.

3                   MR. NICHOLSON:   THAT'S POSSIBLE AS AN  
4           INCENTIVE TOO.

5                   CHAIRMAN JONES:   I'M GIVING YOU A BAD  
6           TIME.   THAT'S MY NATURE.   THANK YOU.

7                   MEMBER RELIS:   MR. CHAIR?

8                   CHAIRMAN JONES:   MR. RELIS.

9                   MEMBER RELIS:   I'D LIKE TO JUST GO BACK  
10          AND PUT THIS PROJECT IN PERSPECTIVE, AND I'VE BEEN  
11          A STRONG PROPONENT OF THIS EFFORT, AND AS YOU  
12          KNOW, VISITED YOUR FACILITY --

13                  MR. NICHOLSON:   YES.

14                  MEMBER RELIS:   -- AND FEEL THAT THIS  
15          OFFERED THE BOARD A REAL OPPORTUNITY TO DO KIND OF  
16          THE -- I'LL JUST DRAW THE ANALOGY TO LIKE THE  
17          COMPOST DEVELOPMENT WE'VE DONE.   WE'VE ENTERED  
18          INTO A MULTI-YEAR EFFORT TO DEVELOP A MARKET THAT  
19          DIDN'T EXIST.   IT WASN'T VERY STRONG WHEN THAT  
20          PROJECT BEGAN.

21                   I'M NOT SAYING THAT THE PROJECT  
22          CREATED THE MARKET COMPLETELY BY ANY STRETCH, BUT  
23          IT WAS A CONTRIBUTING FACTOR.   YOU KNOW, I GOT  
24          EXCITED TODAY WHEN YOU STARTED YOUR PRESENTATION  
25          TAKING US BACK TO THE TIME WHEN MY EYES LIT UP

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1       WHEN YOU -- YOU MENTIONED THAT THIS COULD GENERATE  
2       MAYBE A COUPLE OF MILLION TIRE MARKET PULL,  
3       BECAUSE AFTER ALL, AGAIN, THAT'S WHAT THIS BOARD  
4       IS AFTER, RESULTS.

5                   WE -- SO WHEN I FIRST GOT THE  
6       BRIEFING ON THIS AND THEN THEY READ THE ITEM, YOU  
7       KNOW, THERE'S NOTHING THAT COMES OUT AT ME THAT  
8       PUTS THE -- THESE KINDS OF NUMBERS OUT THERE AND A  
9       TRACK THAT GETS US WHERE I THINK YOU WANT TO GO --

10           MR. NICHOLSON:   UH-HUH.

11           MEMBER RELIS:   -- BASED ON WHAT YOU'VE  
12       SAID.

13                   THE INFORMATION SUGGESTS THIS IS A  
14       GOOD BUY FOR LOCAL GOVERNMENT.   WE'RE NOT JUST  
15       FOISTING SOMETHING ON THEM THAT DOESN'T MAKE ANY  
16       ECONOMIC SENSE.   SO THE REAL QUESTION THEN IS HOW  
17       DO WE -- BOTH FROM A REPORTING PERSPECTIVE AND OUR  
18       DELIBERATION ABOUT WHETHER WE'RE GOING TO COMMIT  
19       NEW FUNDS, HOW DO WE SEE THE WHOLE GAME PLAN HERE  
20       AND HOW THAT'S UNFOLDING.   AND MY SUGGESTION --  
21       JUST TODAY, YOU'VE PRESENTED AN IDEA THAT MIGHT  
22       HELP KICK START THE ACTUAL USE.

23                   I DON'T THINK STAFF HEARD THAT.  
24       WE'RE JUST HEARING THAT FOR THE FIRST TIME.

25           MR. NICHOLSON:   THAT'S RIGHT.

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1                   MEMBER RELIS: IT SEEMS TO ME THAT NEEDS  
2                   SOME FURTHER WORK, BUT I KNOW OUR TIMELINE'S TIGHT  
3                   ON THE ISSUE OF COMMITTING FUTURE FUNDS, BUT IT  
4                   SEEMS TO ME THAT WE NEED TO DO SOME MORE WORK ON  
5                   THAT TO GET A COMFORT LEVEL WITH WHERE YOU WANT TO  
6                   GO AND SQUARE THAT.

7                   I'D LIKE TO SEE IF WE COULD GET SOME  
8                   NUMBERS OUT HERE ABOUT AGAIN PUTTING THAT TWO  
9                   MILLION OR WHATEVER THE NUMBERS IN A TIMELINE THAT  
10                  WOULD GIVE YOU A TARGET TO GO FOR AND NOT -- AND  
11                  THE BOARD A GREATER SENSE, PERHAPS, OF  
12                  ACCOUNTABILITY FROM A NUMBER CRUNCHING SIDE.

13                  I'D LIKE TO BETTER UNDERSTAND THE  
14                  INFRASTRUCTURE PROBLEM WHICH YOU'VE IDENTIFIED ON  
15                  PAGE 2 OF YOUR REPORT WHICH SAYS BASICALLY WE ONLY  
16                  HAVE ONE CRUMB-RUBBER PRODUCER --

17                  MR. NICHOLSON: THAT'S RIGHT.

18                  MEMBER RELIS: -- RIGHT NOW. WE DON'T  
19                  WANT TO BE USING TIRES FROM OUT OF STATE. THAT  
20                  WILL NOT EXACTLY -- THAT'S NOT AN EXCITING  
21                  PROSPECT GIVEN WHAT WE'RE INVESTING HERE. I DON'T  
22                  THINK WE -- WE COULD JUSTIFY THAT, FRANKLY, SO I  
23                  THINK WE NEED TO SEE THE INFRASTRUCTURE CONNECT  
24                  AND I THINK THAT THE -- THE RELATIONSHIP BETWEEN  
25                  THE PROPOSED NEW DEMAND MIGHT ATTRACT THE PARTIES



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1           TO PERHAPS DEVELOP FURTHER THIS CAPACITY.  
2                           I DON'T KNOW THAT FOR SURE. I DON'T  
3           THINK ANY OF US HAVE THAT WITHIN OUR -- HAVE THAT  
4           CONTROL OR INSIGHT AT THAT LEVEL. BUT -- AND THEN  
5           FINALLY I'D LIKE TO SEE WHAT OUR STAFF ROLE IS IN  
6           THIS, BECAUSE IF YOU FRAME THIS, THIS IS  
7           ANOTHER LIKE GRASSCYCLING, LIKE THE COMPOST  
8           DEVELOPMENT. THIS IS A PARTNERSHIP ROLE BETWEEN  
9           THE BOARD -- IN OTHER WORDS, AS ENVISIONED IN  
10          AB-939, THE STATE WORKING WITH LOCAL GOVERNMENT.  
11          L.A. COUNTY IS OUR LOCAL GOVERNMENT VEHICLE FOR  
12          FURTHERING THIS PARTNERSHIP. SO WHAT'S IT GOING  
13          TO TAKE TO MAKE THIS PARTNERSHIP WORK? AND WE  
14          HAVE A ROLE AT THE STAFF; NOT JUST AS CONTRACT  
15          MONITORS WHERE WE'RE PASSIVELY MAYBE WATCHING  
16          WHAT YOU'RE DOING AND COMMENTING ON IT, BUT WHAT  
17          ARE WE ACTIVELY DOING TO PROVIDE FURTHER ENERGY,  
18          ASSISTANCE, TECHNICAL ASSISTANCE? I DON'T GET A  
19          SENSE OF WHAT OUR ROLE IS IN MAKING THIS WORK  
20          RIGHT.

21                       MS. TRGOVCICH: MAYBE, MEMBER RELIS, I'D  
22          LIKE TO ADDRESS THAT FOR A MINUTE AND TAKE YOU  
23          BACK TO THE DELIBERATIONS OF LAST APRIL ABOUT BOTH  
24          THE ALLOCATION 6-7 DOLLARS AND THE FUTURE 7-8  
25          DOLLARS THAT WE'RE NOW DISCUSSING. AT THAT TIME

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1 WE DISCUSSED THE RELATIONSHIP BETWEEN THE NUMBER  
2 OF ACTIVITIES THAT THE BOARD APPROVED. AS YOU'LL  
3 REMEMBER, WE HAD 500,000 FOR THE CENTER. WE HAVE  
4 A BIENNIAL CONFERENCE THAT WE ARE NOW PREPARING.  
5 WE HAVE THREE GRANT PROGRAMS THAT ARE ON THE  
6 STREET RIGHT NOW. WE HAVE TWO PRIOR FISCAL YEAR  
7 GRANT PROGRAMS THAT ARE CURRENTLY MOVING THROUGH  
8 THE PROCESS AND A LIST OF ABOUT 15 OTHER  
9 ACTIVITIES. ONE OF THE GOALS OF CONTRACTING WITH  
10 THE STATEWIDE CENTER WITH L.A. WAS TO BE ABLE TO  
11 GET INCREASED SUPPORT WITHOUT INCREASING THE STAFF  
12 WORKLOAD, SO WHAT I'M TRYING TO SAY TO YOU IS  
13 THERE IS NOT A STRONG STAFF ROLE AS IT RELATES TO  
14 THE CENTER BECAUSE IT WAS DETERMINED THAT THAT WAS  
15 GOING TO BE THE CENTER'S ROLE.

16 MEMBER RELIS: OKAY.

17 MS. TRGOVCICH: THERE ARE A VERY LIMITED  
18 NUMBER OF STAFF THROUGH THE TIRE FUND TO DO A LOT  
19 OF JOBS NOT JUST TO MARKET DEVELOPMENT, BUT TO  
20 PERMITTING TIRE HAULER REGISTRATION, ET CETERA.  
21 WE WERE LOOKING AT THE CENTER AS A WAY OF  
22 OFFSETTING THOSE STAFF WORKLOAD ISSUES.

23 MEMBER RELIS: OKAY. SO THAT'S A CLEAR  
24 MESSAGE. I MEAN, THAT'S HELPFUL TO GET A REMINDER  
25 ON OUR OBLIGATION AND OUR EXPECTATION AS WE WENT

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1        INTO THIS. I GUESS I SPOKE TO THAT MORE OF -- I  
2        DON'T KNOW -- FEELING PERHAPS WHETHER OUR ROLE'S  
3        DIRECT OR NOT, A SENSE THAT THIS IS SOMETHING THAT  
4        WE WANT TO SUPPORT. I GUESS THE -- IT'S NOT THAT  
5        I'M ASKING FOR A STAFF COMMITMENT OF ADDITIONAL  
6        TIME --

7                MR. CHANDLER: LET ME ADDRESS YOUR POINT  
8        BECAUSE I THINK IT'S RIGHT ON. CAREN SAID LET ME  
9        TAKE YOU BACK TO APRIL. LET ME TAKE YOU BACK TO  
10       THE LAST BOARD MEETING. I THINK WHAT YOU'RE  
11       ASKING FOR IS WE NEED A BIT OF A -- THIS IS  
12       OVERPHRASING IT, PERHAPS, BUT A BIT OF A  
13       STRATEGIC PLAN WHERE YOU SEE THE PERFORMANCE  
14       MEASURES --

15               MEMBER RELIS: EXACTLY.

16               MR. CHANDLER: -- CLEARLY LAID OUT, WHAT  
17       WE CAN EXPECT THIS CENTER TO ASSIST US IN.  
18       WHILE CAREN'S CORRECT, WE DON'T HAVE A LOT OF THAT  
19       WE'RE GOING TO IMMEDIATELY THROW AT DEVELOPING A  
20       HUGE STRATEGIC PLAN AND TIRES, I DO THINK THAT  
21       WHAT YOU'RE ASKING FOR IS THAT CITY STAFF LEVEL  
22       ALONG WITH MR. NICHOLSON COULD SIT DOWN AND  
23       PROVIDE A LITTLE BIT MORE DEFINITION AS TO WHAT  
24       OUTCOMES OR WHAT PERFORMANCE MEASURES WE WANTED TO  
25       STRIVE FOR IN THE COMING MONTHS AS IT RELATES TO

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1 THE NUMBER OF AGREEMENTS.

2 YOU MENTIONED THE POTENTIAL 70

3 AGREEMENTS GIVEN THE BUDGETS, AND FROM THOSE

4 AGREEMENTS, HOW MANY TIRES WOULD BE USED OR HOW

5 MANY THAT WE THINK COULD ACTUALLY BRING IN A

6 TONNAGE WAY APPLICATION OF THIS MATERIAL, YOU

7 KNOW, TO BEAR. SO I THINK WHAT WE'RE LOOKING FOR,

8 WHAT YOU'RE ASKING FOR, WE'RE STARTING TO SEE THIS

9 COME TOGETHER, BUT WE NEED TO PUT A LITTLE BIT

10 MORE DEFINITION BEHIND THE PLAN WITH SOME

11 PERFORMANCE MEASURES IN THERE, AND I THINK THAT'S

12 WHAT -- WHEN WE TALKED ABOUT HAVING SOME PROGRAM

13 OR WASTESTREAMS ON DECK AS WE GO THROUGH THE

14 PLANNING PROCESS IN THE MODEL THAT WE'VE BEEN

15 TALKING ABOUT, THAT'S -- THAT'S THE ANALYSIS THAT

16 YOU'RE ASKING FOR.

17 YOU'D LIKE TO SEE HOW THIS -- THESE

18 FUTURE GOALS AND THE ALLOCATION OF FUTURE FUNDING

19 STARTS TO LAY OUT AND WHAT WE REALLY ARE GOING TO

20 GET FOR OUR DOLLAR IN THE FORM OF RUBBERIZED

21 ASPHALT ON THE GROUND APPLIED. AND I THINK THAT'S

22 A ROLE THAT THE CENTER PROBABLY IS SEEING AS A

23 LITTLE BIT BROADER AS MAYBE THEIR TECHNICAL

24 ASSISTANCE ROLE, BUT I THINK IN A COMBINATION

25 WITH STAFF HELP AND MR. NICHOLSON'S BACKGROUND, WE



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1       COULD PUT THAT DEFINITION TOGETHER WHERE -- I SEE  
2       THE STAFF'S RECOMMENDATION IS TO COME BACK AT A  
3       FUTURE TIME, MAYBE COME BACK AT A FUTURE TIME IN  
4       CONJUNCTION WITH THE CONTRACTOR WHERE WE PUT A  
5       LITTLE BIT MORE DEFINITION TOGETHER AS TO WHAT  
6       ACTUALLY WE SEE AS OUTPUTS, OUTCOMES THAT WE WANT  
7       TO -- THAT WE WANT TO STRIVE FOR IN THE COMING  
8       MONTHS.

9               MEMBER RELIS:   AND AS I UNDERSTAND IT,  
10       THERE ISN'T THAT MUCH TIME BECAUSE WE'RE -- WE'RE  
11       RIGHT UP AGAINST THIS OTHER ALLOCATION ISSUE.

12              CHAIRMAN JONES:   RIGHT.

13              MEMBER RELIS:   AND A SUGGESTION HAS BEEN  
14       MADE ABOUT HOW TO USE THAT MONEY, BUT I DON'T HAVE  
15       A COMFORT LEVEL YET THAT WE HAVE THAT TYPE OF  
16       STRATEGIC DEVELOPMENT.

17              MR. NICHOLSON:   RIGHT.   COULD I SAY  
18       SOMETHING?   I PUT FORTH THE SUGGESTION OR THE  
19       RECOMMENDATION TO PUT SOME UP-FRONT MONEY TO THE  
20       CITIES FOR -- TO -- TO KIND OF FORCE THEM INTO  
21       DOING THE STUDY TO MAKE SURE THAT RUBBERIZED  
22       ASPHALT WAS FOR THEM.

23              I DON'T WANT TO PUSH THIS AND I  
24       DON'T THINK YOU WANT TO PUSH THE PRODUCT IF IT  
25       ISN'T GOING TO DO A GOOD JOB FOR THEM.

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1                   IT TAKES ABOUT SIX MONTHS TO GET A  
2       PROJECT GOING. I MEAN THAT'S MINIMUM FOR MOST  
3       CITIES AND COUNTIES BY THE TIME THEY BUDGET THE  
4       MONEY FOR THE PROJECT, AND IT COULD BE LONGER, AND  
5       I DON'T -- I'M NOT RECOMMENDING OR SUGGESTING THAT  
6       YOU HAVE TO MAKE A DECISION RIGHT AWAY OR ANYTHING  
7       LIKE THAT, BUT KEEP IN MIND THAT IF YOU DO LIKE  
8       THE IDEA OF PROVIDING MONETARY ASSISTANCE TO DO  
9       THIS UP-FRONT WORK, THAT IT WILL HAVE TO GET THE  
10      WORD OUT TO THE CITIES, THEY WILL HAVE TO DEVELOP  
11      PROJECTS WHICH CAN DO THAT, SO IT WOULD BE GOOD IF  
12      WE COULD GET PROJECTS ON BOARD FOR NEXT SUMMER OR  
13      THE SUMMER AFTER, YOU KNOW.

14                  I DON'T IMAGINE THAT THERE'S --  
15      WELL, THERE'S PROBABLY A LOT OF WORK HERE IN  
16      NORTHERN CALIFORNIA, BUT NOT NEARLY AS MUCH AS WE  
17      HAVE IN SOUTHERN CALIFORNIA. SO THERE IS -- IT'S  
18      NOT A TIME PROBLEM, BUT I JUST WANTED TO MAKE YOU  
19      AWARE THAT THERE IS AT LEAST A SIX-MONTH  
20      PREPARATION TIME FOR PLANS, SPECIFICATIONS, AND  
21      AWARD OF CONTRACTS. AND MY PROPOSAL WOULD NOT  
22      INCREASE CAREN'S STAFF TIME AND THAT WE WOULD  
23      DO -- THE CENTER WOULD DO THE EVALUATION OF THE  
24      PROJECT AND RECOMMEND THAT THE BOARD ALLOCATE  
25      MONEY TO THE CITY UPON AWARD OF THE PROJECT. IN

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1       OTHER WORDS, THE RUBBERIZED ASPHALT IS A COST-  
2       EFFECTIVE SOLUTION AND THEY ADVERTISE THE PROJECT,  
3       THEN THEY WOULD GET THE MONEY, AND THAT'S WHAT I  
4       WAS THINKING.

5                   NOW, RUBBERIZED ASPHALT MAY NOT BE A  
6       COST-EFFECTIVE SOLUTION. THAT'S A CHANCE YOU HAVE  
7       TO TAKE, BUT I'M SUGGESTING THAT THIS PROPOSAL BE  
8       ONLY USED FOR RURAL HIGHWAYS, MAJOR HIGHWAYS,  
9       SECONDARY HIGHWAYS, AND HIGH VOLUME CONNECTORS,  
10      NOT RESIDENTIAL STREETS BECAUSE RUBBERIZED ASPHALT  
11      IS REALLY NOT COST-EFFECTIVE FOR LOCAL STREETS.

12                   MEMBER RELIS: CAN I ASK YOU A TECHNICAL  
13      QUESTION?

14                   MR. NICHOLSON: YES.

15                   MEMBER RELIS: I THOUGHT YOU SAID ON THAT  
16      LAST POINT THAT IF YOU USED A SLURRY SEAL ON  
17      RESIDENTIAL STREETS EVERY FIVE YEARS, IF I RECALL  
18      CORRECTLY, THEN YOU WOULD HAVE SUSTAINED  
19      MAINTENANCE; IN OTHER WORDS, THOSE STREETS COULD  
20      GO ON MORE OR LESS INDEFINITELY.

21                   MR. NICHOLSON: THAT'S RIGHT.

22                   MEMBER RELIS: DID I MISS SOMETHING,  
23      THEN?

24                   MR. NICHOLSON: NO. THE PROBLEM THAT I  
25      FOUND WITH OUR OWN COUNTY AND OUR CITIES AND THE

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1        OTHER CITIES IS THAT THEY -- WHEN MONEY GETS TIGHT  
2        ON THE BUDGET, THE FIRST THING TO GO IS THE SLURRY  
3        SEAL OR THE CHIP SEAL PROGRAM. YOU KNOW THAT IT'S  
4        FIVE YEARS SINCE YOU DID YOUR CHIP SEAL. YOU KNOW  
5        THAT YOU SHOULD BE DOING IT, BUT YOU JUST DON'T  
6        HAVE THE MONEY AND YOU'VE GOT A STREET THAT'S  
7        FALLING APART, SO YOU PUT THE MONEY THERE.

8                        SO A LOT OF CITIES ARE IN -- IN  
9        FACT, I HAVE A MEETING TOMORROW IN NIPOMO, WHICH  
10       IS A CITY THAT HAS RESIDENTIAL STREETS THAT HE  
11       WANTS ME TO GET RECOMMENDATION, AND I HAVE A HUNCH  
12       WHAT MY RECOMMENDATION IS GOING TO BE. HIS  
13       STREETS ARE FALLING APART BECAUSE THEY HAVEN'T  
14       DONE THE SLURRY.

15                      NOW, THAT'S PART OF WHAT THE CENTER  
16       IS DOING IS RECOMMENDING THAT THEY DO PAVEMENT  
17       MANAGEMENT ALSO. DO THE SLURRY SEAL EVERY FIVE TO  
18       SEVEN YEARS AND WE HAVE A RUBBER THAT'S WORKING  
19       VERY WELL IN LOS ANGELES COUNTY, AND I THINK COULD  
20       WORK WELL IN ALL PARTS OF THE STATE. THE  
21       RUBBERIZED CHIP SEALS ARE A VERY COST-EFFECTIVE  
22       WAY FOR CERTAIN SITUATIONS, AND THAT'S WHAT WE  
23       WOULD HELP THEM ON, IS GIVE THEM SOME ADVICE AS TO  
24       WHERE CHIP SEALS OR SLURRY SEALS OR RUBBERIZED  
25       RESURFACING CAN BE USED EFFECTIVELY.



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1 I MIGHT MENTION THAT I HAVE A REAL  
2 CONCERN WITH DOING THE WORK FOR THEM BECAUSE OF  
3 LIABILITIES. I DON'T THINK THAT L.A. COUNTY OR  
4 THE BOARD WANTS TO GET INTO A POSITION WHERE IF WE  
5 RECOMMEND AND DO THE DESIGN FOR RUBBERIZED ASPHALT  
6 AND THERE'S A PROBLEM CAUSED BY SOMETHING ELSE,  
7 THEY'RE GOING TO BLAME US AND YOU AND I DON'T WANT  
8 TO GET INTO THAT.

9 IN THE WORKBOOK, YOU MAY HAVE  
10 NOTICED THAT I HAVE ADDRESSED THIS ISSUE AND THAT  
11 WE'RE PROVIDING INFORMATION WHICH IS A COMPILATION  
12 OF ALL OF OUR EXPERIENCES IN IT, BUT IT DOES NOT  
13 GUARANTEE THAT A PARTICULAR PROJECT WILL BE  
14 SUCCESSFUL. AND THAT'S WHY I'M STRESSING THE JOB  
15 INSPECTION AND THE PLANT INSPECTION AND THE  
16 UP-FRONT ENGINEERING AND ALL OF THESE THINGS GOT  
17 TO BE DONE.

18 THE REASON I HAVEN'T COME UP WITH  
19 TIRE FIGURES AND DOLLAR FIGURES IS HOW MANY  
20 ADDITIONAL TONS OF RUBBERIZED ASPHALT WE'RE GOING  
21 TO USE WOULD BE GRABBING IT FROM THE SKY. WE'VE  
22 GOT TO GET INTEREST AND GET THE BALL ROLLING.  
23 ONCE IT GETS ROLLING, IT WON'T STOP, BUT IT'S VERY  
24 HARD TO DO A TWO MILLION TIRE FIGURE ON IT. WE  
25 CAN DO THAT, BUT LIKE I SAY, IF WE GET 70

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1 PROJECTS AT 5,000 TONS EACH IN THE STATE AS A  
2 RESULT OF THIS PROGRAM, THAT'S 350,000 TONS OR A  
3 MILLION TIRES. WE CAN SAY THAT, BUT THATD 70  
4 PROJECTS IS BASED ON GETTING THE CITIES TO DO  
5 WHATEVER THEY NEED TO DO TO MAKE SURE THAT THE  
6 PRODUCT IS RIGHT FOR THEM. SO --

7 MEMBER PENNINGTON: MR. CHAIRMAN, I FEEL  
8 LIKE WE'RE, YOU KNOW, BASICALLY MOVING IN THE  
9 RIGHT DIRECTION AND THAT I THINK THAT THE REPORT  
10 WE'VE GOT THIS MORNING GIVES US EVEN A LITTLE BIT  
11 MORE INFORMATION THAN WE'VE HAD PRIOR TO THIS  
12 MORNING, AND I THINK THAT THE RECOMMENDATION IS  
13 NOT A BAD RECOMMENDATION. I MEAN, I DON'T HAVE A  
14 PROBLEM WITH IT, BUT I WOULD LIKE TO HAVE THE  
15 STAFF KIND OF REVIEW IT AND SEE IF THAT IS THE  
16 RIGHT DIRECTION OR IF THERE IS ANOTHER  
17 DIRECTION IN TERMS OF AN INCENTIVE TO GET THE  
18 CITIES INVOLVED.

19 SO I WOULD ASK THAT THE STAFF LOOK  
20 AT THIS RECOMMENDATION AND MAYBE SOME OTHERS IN  
21 TERMS OF PAYING THE DIFFERENTIAL, WHICH WAS  
22 SUGGESTED. MR. NICHOLSON SEEMS TO BELIEVE THAT  
23 YOU'VE GOT TO DO THIS ENGINEERING WORK FIRST, AND  
24 I DON'T DOUBT THAT HE'S PROBABLY CORRECT. SO WHAT  
25 I WOULD -- I'LL MAKE A MOTION THAT WE PROCEED AND

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1 ASK STAFF -- THAT WE ASK STAFF TO REVIEW THIS AND  
2 BRING IT BACK TO THE COMMITTEE NEXT MONTH SO WE  
3 DON'T GET BEHIND ON THE TIMELINE.

4 CHAIRMAN JONES: TO REVIEW MR.  
5 NICHOLSON'S PROPOSAL.

6 MEMBER PENNINGTON: YES.

7 MS. TRGOVCICH: WHAT WE COULD DO IS WE  
8 CAN TAKE MR. RELIS' AND MR. CHANDLER'S ISSUES THAT  
9 THEY RAISED. WE COULD TRY TO PUT SOME PROJECTIONS  
10 DOWN. I THINK LYNN MADE A VERY IMPORTANT POINT,  
11 THAT AT THIS POINT IN TIME, IT'S GOING TO BE TOUGH  
12 TO HOLD TO THOSE PROJECTIONS AND WE'RE GOING TO  
13 LEARN AS WE GO, BUT THEY'RE A STARTING POINT AND  
14 THEY'RE SOMETHING TO WORK WITH, SO WE WILL ASK THE  
15 COUNTY TO PREPARE THAT INFORMATION. WE WILL  
16 PROPOSE TO COME BACK IN THE FEBRUARY TIMELINE TO  
17 BRING THIS ITEM BACK TO YOU, TO THIS COMMITTEE,  
18 AND HOPEFULLY TO THE BOARD FOR CONSIDERATION.

19 MEMBER PENNINGTON: YOU MIGHT BRING IT  
20 BACK IN FEBRUARY, YOU SAY?

21 MS. TRGOVCICH: I WOULD PROPOSE FEBRUARY.  
22 I THINK FROM THE PERSPECTIVE OF THE HOLIDAYS, OUR  
23 STAFF AND THE COUNTY STAFF, THE JANUARY ITEM IS  
24 DUE NEXT WEEK.

25 MEMBER PENNINGTON: THAT'S TRUE.

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1                   CHAIRMAN JONES: I AGREE WITH YOUR  
2           MOTION. I JUST -- I WANT TO ASK IF WE CAN ADD TO  
3           IT A LITTLE BIT. I THINK THAT -- THAT PART OF THE  
4           PROPOSAL AND I THINK PART OF THE COMFORT LEVEL  
5           WOULD BE THAT IF WE HAD A WORK PLAN AS PART OF  
6           THAT SO THAT -- I THINK THE 70 PROJECTS NEED TO BE  
7           GOALS, AND I'M A FIRM BELIEVER IN MANDATES, BUT I  
8           THINK THAT THIS ONE IS A GOAL AND WE NEED TO HAVE  
9           A -- A WORK PLAN ON -- SO WE CAN -- SO WE CAN  
10          MEASURE SUCCESS BY, YOU KNOW, HOW MANY PEOPLE HAVE  
11          TAKEN ADVANTAGE OF THE INSPECTION, AND I -- I  
12          THINK IT'S HONEST AND FAIR TO SAY, YOU KNOW, YOU  
13          SPEND THE FIVE GRAND ON THE INSPECTION AND THIS IS  
14          NOT GOING TO WORK FOR YOU, I THINK THAT'S GOOD  
15          GOVERNMENT.

16                   I THINK THAT'S A SERVICE WE HAVE TO  
17          PROVIDE, AND IF IT -- BUT I HOPE THAT YOUR  
18          EXPERIENCE LETS YOU LOOK AT SOMETHING, NO, I DON'T  
19          THINK WE'RE SPENDING THE FIVE GRAND ON THIS ONE  
20          BECAUSE IT'S DOOMED FROM THE BEGINNING AND I'M  
21          SURE THAT'S WHERE YOU WOULD BE COMING FROM, BUT I  
22          THINK THAT MAKES A LOT OF SENSE. AND THEN WE CAN  
23          MEASURE IT ON -- YOU KNOW, WE'VE DONE THIS  
24          PRELIMINARY WORK. THESE THINGS ARE IN MOTION  
25          BECAUSE IT'S OUT OF OUR HANDS. IF THAT CITY



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1 COUNCIL OR BOARD OF SUPERVISORS SAYS, WE DON'T  
2 HAVE THE DOLLARS TO DO THIS, WE'RE GOING TO PUT IT  
3 OFF FOR TWO YEARS, THAT'S NOTHING WE CAN CONTROL.

4 I MEAN, THAT'S -- BUT I THINK THE  
5 MORE INFORMATION YOU GIVE AND THE MORE MATH THAT  
6 IS DONE SO THAT THEY CAN SEE A REAL SAVINGS HERE  
7 IS A BENEFIT, AND THAT'S HOW WE MOVE IT BECAUSE  
8 ANY TIME WE CAN TAKE A RECYCLED PRODUCT AND SHOW  
9 VALUE, SHOW MORE VALUE, THEN IT STANDS ON ITS OWN  
10 AND THAT -- THAT BECOMES A REAL BENEFIT. AND I  
11 THINK THAT HELPS FOSTER WHAT WE ALL ARE TRYING TO  
12 DO HERE. IF YOU WOULD ACCEPT THAT ADDITION TO THE  
13 WORK PLAN AND THE GOALS --

14 MEMBER PENNINGTON: SURE.

15 CHAIRMAN JONES: -- I'D LOVE TO SECOND  
16 YOUR MOTION.

17 MEMBER PENNINGTON: ALL RIGHT.

18 CHAIRMAN JONES: ANY COMMENTS OR  
19 QUESTIONS?

20 MEMBER RELIS: NO. IF SOMEHOW YOU CAN  
21 CAPTURE IN YOUR DISCUSSIONS WITH LYNN, I CAN SEE  
22 YOU SEE REAL CLEARLY HOW THIS THING IS GOING TO  
23 SNOWBALL. YOU USED THE TERM "SNOWBALL," AND I  
24 THINK THAT'S WHAT WE WANT TO SEE. WE WANT TO SEE  
25 IT SNOWBALL. SO YOU'RE SAYING 70 PROJECTS MIGHT

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1 BE -- YOU KNOW, THERE MIGHT BE SOME CRITICAL  
2 NUMBER. ONCE THIS GETS OUT AND ENOUGH ENGINEERS  
3 AND CITY PEOPLE, COUNTY PEOPLE HAVE EXPERIENCE  
4 WITH THIS, THIS WILL BECOME A MORE REGULAR WAY OF  
5 DOING BUSINESS.

6 MR. NICHOLSON: SEVENTY PROJECTS WOULD BE  
7 BASICALLY 350,000 DIVIDED BY FIVE.

8 MEMBER RELIS: OKAY. HOWEVER --

9 CHAIRMAN JONES: THAT'S MATH.

10 MEMBER RELIS: BUT I LIKE WHERE WE'RE  
11 GOING WITH THIS.

12 CHAIRMAN JONES: GOVERNMENTAL MATH.

13 WITH THAT, WE HAVE A MOTION AND A SECOND.

14 JEANNINE, WOULD YOU LIKE TO CALL THE ROLL, PLEASE?

15 THE SECRETARY: BOARD MEMBER RELIS?

16 MEMBER RELIS: AYE.

17 THE SECRETARY: MEMBER PENNINGTON?

18 MEMBER PENNINGTON: AYE.

19 THE SECRETARY: CHAIRMAN JONES?

20 CHAIRMAN JONES: AYE.

21 JUST ONE BRIEF COMMENT ON THIS. WE  
22 NEVER GOT A LETTER, WE NEVER GOT ANY PHONE CALL OR  
23 ANYTHING, BUT THERE HAS BEEN A DISCUSSION ON --  
24 FROM THE RPA FOLKS THAT CALTRANS IS LOOKING AT A  
25 PROPOSED MIX THAT IS --

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1 MS. TRGOVCICH: MODIFIED BINDER  
2 SPECIFICATIONS.

3 CHAIRMAN JONES: MODIFIED BINDER  
4 SPECIFICATIONS WHERE IT DOESN'T HAVE TO  
5 NECESSARILY BE CRUMB-RUBBER, AND I THINK WE HAVE  
6 TO BE AWARE OF THAT BECAUSE THERE -- THESE ARE NOT  
7 PROPOSED -- THESE ARE -- THEY'RE PROPOSED SPECS,  
8 RIGHT? THEY'RE OUT WAITING COMMENT AND THINGS  
9 LIKE THAT, BUT I THINK IT'S CRITICAL THAT WE NEED  
10 TO BE AWARE OF THAT, AND I THINK THAT THEY ARE  
11 CHANGING THE MESH SPEC AS PART OF THIS TO AN AID  
12 MESH.

13 MS. TRGOVCICH: I DON'T BELIEVE THEY'RE  
14 CHANGING THE SPEC. I BELIEVE THE CONCERN THAT RPA  
15 HAS PROPOSED IS THE MORE GENERIC SPEC AND A  
16 VARIETY OF POLYMERS TO BE USED AS BINDERS WOULD  
17 PROVIDE FOR DIFFERENT SPECIFICATIONS, DIFFERENT  
18 TYPES OF MATERIAL, SOME OF WHICH MAY NOT CURRENTLY  
19 BE AVAILABLE HERE IN CALIFORNIA, AND I BELIEVE  
20 THAT'S THE CONCERN THEY'RE RAISING.

21 MEMBER RELIS: IS THIS MORE CONDUCIVE TO  
22 THE USE OF RUBBERIZED ASPHALT OR NOT OR --

23 MS. TRGOVCICH: I DON'T KNOW.

24 MEMBER RELIS: -- IT CREATES MORE  
25 FLEXIBILITY?

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1 MS. TRGOVCICH: IT CREATES MORE  
2 FLEXIBILITY IS WHAT IT DOES AND I DON'T KNOW.  
3 THEY MAY HAVE MORE INFORMATION, BUT THEY'VE GONE  
4 FROM A RECIPE SPECIFICATION, WHICH I BELIEVE IS  
5 FOCUSED ON RUBBER TO A MORE GENERIC SPEC.

6 MEMBER RELIS: I SEE.

7 MS. TRGOVCICH: I DON'T KNOW.

8 MR. GAUFF: IF YOU WANT TO ELABORATE,  
9 BASICALLY WHAT WE'RE LOOKING AT IS WHAT THEY CALL  
10 PERFORMANCE BASED SPECS, AND THAT DOESN'T PRECLUDE  
11 THE USE OF RUBBER, PER SE, BUT IT'S GOING TO OPEN  
12 IT UP FOR A WHOLE LOT OF DIFFERENT TYPES OF  
13 MODIFIERS AND THE BINDERS, WHICH MAY NOT BE TIRE  
14 RUBBER.

15 MS. GILDART: TENNIS BALLS.

16 MEMBER PENNINGTON: RUBBER HOSES.

17 CHAIRMAN JONES: ANYWAY, I THINK WE NEED  
18 TO BE AWARE OF THAT. I THINK YOU GUYS NEED TO  
19 KEEP US AWARE BECAUSE THAT'S NOT AS THE BEST. I  
20 MEAN, WE'LL SEE. ALL RIGHT. THANK YOU VERY MUCH,  
21 FOLKS. I THINK FROM THE SAME CREW, WE HAVE OUR  
22 THIRD AGENDA ITEM, WHICH IS STATUS ON THE PUBLIC  
23 UTILITIES COMMISSION DEREGULATION, AB-1890 OF THE  
24 ELECTRIC UTILITY. THIS IS AN ORAL PRESENTATION.

25 MR. JOHNSON: THANK YOU, MEMBERS OF THE



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1 COMMITTEE. THIS IS A -- I SHOULD APOLOGIZE TO THE  
2 PEOPLE IN THE AUDIENCE. THE WRITE-UP DOESN'T  
3 EASILY TRANSLATE TO THE TELEVISION SCREEN, SO  
4 PLEASE BEAR WITH US.

5 THIS IS AN UPDATE OF OUR -- A  
6 FOLLOW-UP UPDATE FROM THE SERIES THAT WAS  
7 PRESENTED THIS SUMMER WHEN WE LAST MET IN  
8 SEPTEMBER. THERE WAS SORT OF THREE MAJOR  
9 OUTSTANDING ISSUES WITH RESPECT TO RESTRUCTURING.  
10 ONE WAS WHEN THE RESTRUCTURED MARKET CAME INTO  
11 BEING; SECONDLY, THE ISSUE OF THE ELECTRIC SERVICE  
12 PROVIDERS BECAUSE THEY HAD JUST BEGUN REGISTERING,  
13 AND THEN FINALLY THE QF CONTRACT BUYOUT ISSUE.

14 AS I SAID BEFORE, THE PURPOSE OF  
15 RESTRUCTURING WAS TO -- WAS BASICALLY TO REDUCE  
16 THE AVERAGE RETAIL PRICE IN CALIFORNIA FROM A  
17 PRICE THAT WAS SIGNIFICANTLY ABOVE THE NATIONAL  
18 AVERAGE DOWN MORE TOWARDS THE NATIONAL AVERAGE AND  
19 TO ALLOW COMPETITION BOTH AT THE GENERATION LEVEL  
20 AND AT THE LEVEL OF PROVIDING SERVICE TO THE  
21 RETAIL CUSTOMERS AND MAYBE DIFFERENT SERVICES.  
22 THIS REQUIRED BREAKING UP THE TRADITIONAL VERTICAL  
23 MONOPOLIES OF THE UTILITIES AND CREATING TWO  
24 ENTITIES, THE INDEPENDENT SYSTEM OPERATOR TO RUN  
25 THE EXISTING TRANSMISSION SYSTEMS AND THE POWER

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1        EXCHANGE THAT WILL RUN THE GENERATION MARKET POOL.  
2        THOSE TWO ENTITIES, THE ISO AND THE POWER  
3        EXCHANGE, JUST RECENTLY ON OCTOBER 30TH RECEIVED  
4        AN APPROVAL FROM THE FEDERAL ENERGY REGULATORY  
5        COMMISSION TO BEGIN OPERATION ON JANUARY 1.  FERC  
6        ISSUED A -- I DESCRIBE IT AS A CONDITIONAL LICENSE  
7        FOR THOSE ENTITIES TO BEGIN, AND WE'LL CONSIDER A  
8        FINAL APPROVAL SOMETIME IN THE YEAR 2000.

9                    THE ISO HAS BEGUN ACTUALLY TESTING  
10        RUNNING THE TRANSMISSION SYSTEMS ON -- ON FIRST  
11        CONDITION, SO BY JANUARY WHEN THEY TAKE OVER,  
12        THEY'LL HAVE SOME GLITCHES IRONED OUT.

13                   THE -- AS I SAY, ONE OF THE OTHER  
14        MAJOR ISSUES WAS THE ELECTRIC SERVICE PROVIDERS  
15        THE -- WHO ARE THESE PARTIES WHO WILL PROVIDE  
16        SERVICES TO RETAIL CUSTOMERS.  THEY WERE -- AB  
17        1890 ALLOWED THEM TO START REGISTERING WITH THE  
18        PUBLIC UTILITIES COMMISSION ON JULY 1 AND TO  
19        ACTUALLY START MARKETING THEIR SERVICES ON  
20        NOVEMBER 1 OF THIS YEAR.  AS OF LAST WEEK, THERE  
21        WERE A LITTLE OVER 200 ENTITIES WHO HAD -- WHO HAD  
22        PAID AND RECEIVED A CERTIFICATION FROM THE PUBLIC  
23        UTILITIES COMMISSION, AND THEY RUN THE GAMUT FROM  
24        SUBSIDIARIES OF MAJOR ELECTRIC UTILITIES, BOTH IN  
25        CALIFORNIA AND ELSEWHERE.

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1                   AN EXAMPLE, SOUTHERN CALIFORNIA DUKE  
2           COMPANY, SOUTHERN CAL EDISON HAS SEVERAL  
3           SUBSIDIARIES WHO WILL MARKET THEIR SERVICES IN  
4           PG&E'S TERRITORY AND PG&E HAS A SUBSIDIARY THAT  
5           WILL INVADE EDISON'S TERRITORY, PLUS OTHERS WHO  
6           ARE LOOKING AT VERY NICHE MARKETS, MAYBE  
7           CHURCHES OR PEOPLE IN THE GOLF COURSE, A NUMBER OF  
8           WATER DISTRICTS HAVE REGISTERED, THE CITY OF LONG  
9           BEACH IN PROVIDING SERVICE TO RESIDENTIAL  
10          CUSTOMERS, AND SOME OF THE BIG ONES SUCH AS ENRON  
11          WHO HAVE SEVERAL SUBSIDIARIES THAT ARE REGISTERED  
12          TO PROVIDE A VARIETY OF SERVICES, AND THEN THEY --  
13          ABOUT A DOZEN OF THE, QUOTE, GREENERS, PROBABLY  
14          MOST NOTABLY GREEN MARKET OUT OF VERMONT IS DOING  
15          SOME VERY IMPRESSIVE MARKETING OF RENEWABLES.

16                   THE -- NOW, WHERE DID THESE SERVICE  
17          PROVIDERS GET POWER? THEY HAVE ESSENTIALLY FOUR  
18          OPTIONS, ONE OF WHICH IS TO BUY FROM THE POWER  
19          EXCHANGE, WHICH IS GOING TO BE THE MAJOR SOURCE OF  
20          POWER FOR AT LEAST THE FIRST COUPLE YEARS OF THE  
21          TRANSITION PERIOD. THEY COULD BUY IT FROM  
22          OUT-OF-STATE UTILITIES, WHICH IS WHERE A NUMBER OF  
23          THEM ARE LOOKING AT THAT, PARTICULARLY SOME OF THE  
24          RENEWABLES BECAUSE OF -- MOST OF THE CALIFORNIA  
25          BASED RENEWABLES ARE STILL UNDER CONTRACT WITH THE

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1 UTILITIES.

2 THE SERVICE PROVIDERS COULD RUN  
3 THEIR OWN PLANTS. ONE OF THE REQUIREMENTS OF  
4 RESTRUCTURING IS THAT THE REGULATED UTILITIES  
5 DIVEST THEMSELVES OF A NUMBER OF THEIR EXISTING  
6 FOSSIL FUEL PLANTS TO REDUCE THEIR DOMINANT SHARE  
7 OF THE INDUSTRY, AND THEN THE FINAL -- AN AREA  
8 THAT WAS SOMEWHAT NEAR AND DEAR TO OUR HEART, THE  
9 QUALIFYING FACILITIES WHO ARE NO LONGER -- WHO ARE  
10 NO LONGER UNDER A UTILITY CONTRACT WOULD ALSO BE A  
11 SUPPLIER, WHICH LEADS NOW TO THE MAJOR ISSUE THAT  
12 WAS OUTSTANDING, AND THAT'S THE ISSUE OF  
13 QUALIFYING FACILITY BUYOUTS RESTRUCTURING.

14 WHEN I WAS HERE IN THE SUMMER, YOU  
15 EXPRESSED SOME REAL CONCERN ABOUT WHAT LOOKED LIKE  
16 A RUSH TO JUDGMENT AT THAT TIME ON THE COMMISSION  
17 FEELING IT WAS -- BECAUSE IT WAS ONE OF THOSE  
18 ISSUES THAT HAD LAID OUT THAT IT NEEDED TO ADDRESS  
19 PRIOR TO BEGINNING OF RESTRUCTURING, AND NOTHING  
20 HAD PARTICULARLY HAPPENED. THERE SEEMED TO BE A  
21 SENSE OF URGENCY THIS SUMMER TO REACH SOME  
22 RESOLUTION, PLUS A COUPLE OF THE MAJOR PROVIDERS  
23 WERE SAYING YOU, THE COMMISSION, HAVE TO DO  
24 SOMETHING TO RESOLVE THIS. THE UTILITIES WERE  
25 SAYING WE HAVE \$20 BILLION WORTH OF THESE



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1       CONTRACTS THAT STRETCH OUT TO THE YEAR 2025, 2025,  
2       AND THIS WAS GOING TO CREATE A -- MAKE A PROBLEM  
3       FOR US BEING COMPETITIVE IN THE MARKETPLACE.

4                   THE -- COMMISSIONER NEEPER ABOUT A  
5       MONTH AGO HELD A MEETING WITH THE UTILITIES, THE  
6       COMMISSION STAFF, AND SOME OF THE LARGE OIL AND  
7       GAS CO-GENERATORS AND -- ON WHAT RESOLUTION COULD  
8       BE REACHED WITH THE PARTIES. AND THE RESULTS OF  
9       THAT MEETING WERE THE PARTIES WERE SO FAR APART  
10      THAT NO RESOLUTION SEEMED TO BE IMMEDIATELY  
11      PRESSING AND THE COMMISSION SUPPOSEDLY, ALTHOUGH I  
12      GUESS THEY WOULDN'T SAY THAT, HAS SORT OF PUSHED  
13      THIS ISSUE TO THE BACK BURNER, WHICH STILL LEAVES  
14      US WITH A QUESTION OF WHAT DO WE DO WITH THE 30 OR  
15      SO BIOMASS PLANTS, THE WASTE-TO-ENERGY PLANTS AND  
16      A HALF A DOZEN GAS RECOVERY AND OTHER QF'S IN THIS  
17      RENEWABLE GROUP WHO EITHER HAVE FALLEN OFF THE  
18      INTERIM STANDARD FOR FIXED PRICE PERIOD INTO SHORT  
19      RUN AVOIDED COST, WHICH HAS SORT OF BLOWN COST OF  
20      REDUCING POWER OR SOON -- SOON TO REACH THAT  
21      CLIFF.

22                   THE ENERGY COMMISSION'S RENEWABLES  
23      FUND PICKS UP SOME OF THAT DIFFERENTIAL, BUT  
24      DOESN'T RESOLVE ALL OF THOSE PROBLEMS, BUT WHILE  
25      IT'S STILL UNDER CONTRACT, THEY CANNOT GO WITH

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1 MARKET TO -- THEIR SERVICES TO THE ELECTRIC  
2 SERVICE PROVIDERS WHO ARE OUT SIGNING UP RETAIL  
3 CUSTOMERS SOMETIMES AT A PREMIUM TO BUY CERTAIN  
4 TYPES OF POWER.

5 THE -- I GUESS ONE OTHER ISSUE I'D  
6 LIKE TO TOUCH ON IS THE -- IN AB-1890, CAL-EPA WAS  
7 ASKED TO LOOK AT SOME LONG-TERM STRATEGIES FOR A  
8 SHIFT OF THE COST OF THE BIOMASS POWER INDUSTRY TO  
9 THE ELECTRIC RATEPAYER OF THE OLD SYSTEM TO OTHER  
10 CLASSES OF BENEFICIARIES. THAT REPORT WAS DONE  
11 AND SUBMITTED TO THE LEGISLATURE IN THE SPRING AND  
12 SORT OF NOTHING HAS HAPPENED. THE BIOMASS POWER  
13 INDUSTRY RIGHT NOW, THERE WERE THREE BILLS THAT  
14 WERE INTRODUCED, ALL OF WHICH DID NOT GET THROUGH  
15 THE LEGISLATIVE SESSION.

16 ONE OF THEM, AB-1513, ACTUALLY DID  
17 PASS THE ASSEMBLY, BUT DIED, WHICH SHOULD HAVE  
18 BEEN IN THE SENATE, WITH CONCERNS OVER TAX -- THE  
19 WHOLE ISSUE OF TAX CREDITS LAST YEAR. THE  
20 INDUSTRY RIGHT NOW IS LOOKING AT SOME OPTIONS  
21 OF EITHER PUSHING THOSE BILLS OR SOME OTHER  
22 SOLUTIONS THAT MAY HAVE BEEN DISCUSSED IN THE  
23 CAL-EPA REPORT ARE SOME THAT MAY NOT HAVE EVEN  
24 BEEN THOUGHT OF OR DISCUSSED THERE AND MAY ASK  
25 OUR -- ASK THE BOARD FOR SOME SUPPORT ON ANY --

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1 SOME LEGISLATIVE STRATEGY THAT WE MAY DEVELOP AT  
2 SOME LATER POINT. ARE THERE ANY QUESTIONS?

3 MEMBER RELIS: SOUNDS PRETTY INDEFINITE.  
4 I DON'T KNOW.

5 MS. GILDART: I THINK WE'RE GOING TO SEE  
6 SOME ACTION AFTER JANUARY 1ST. AS NEAL DESCRIBED,  
7 THERE'S A SERIES OF THINGS THAT HAVE TO COME  
8 TOGETHER. THE ELECTRIC SERVICE PROVIDERS ARE  
9 BUYING UP SOME CONTRACTS SO THAT THEY CAN, AND  
10 THEY'LL BE IN OPERATION JANUARY 1ST, BUT YOU'VE  
11 GOT A WHOLE VARIETY OF DATES ON EXISTING CONTRACTS  
12 THAT MAY INTERFERE WITH THAT, AND THEN THERE'S THE  
13 MONIES PROVIDED BY THE ENERGY COMMISSION THAT HAVE  
14 BEEN FEEDING INTO SOME OF THE RENEWABLES. SO NO  
15 ONE'S QUITE SURE WHO'S GOING TO BE RECEIVING WHAT  
16 KIND OF FUNDING IN THE NEAR FUTURE.

17 MEMBER RELIS: ALSO YOU PASSED OUT THIS  
18 BROCHURE, AND IT SPEAKS TO A COMPANY THAT WOULD BE  
19 MARKETING SOME BIOMASS ENERGY, AND I ASSUME ONE OF  
20 THE FACTORS WILL BE HOW MANY PEOPLE END UP  
21 SUBSCRIBING TO A FUEL MIX THAT WOULD INCLUDE  
22 BIOMASS. THAT'S AN IMPONDERABLE AT THIS POINT, I  
23 GUESS.

24 MR. JOHNSON: I THINK -- AS I SAID, THERE  
25 WERE OVER 200 PROVIDERS HAVE SIGNED UP AND CAN

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1 MARKET THEIR SERVICES, BUT THERE'S ONLY, WHAT, 20  
2 OR SO THAT ARE REALLY RIGHT NOW ACTIVELY OUT  
3 THERE. A LOT OF THEM ARE SORT OF LOOKING AT HOW  
4 WELL SOME OF THE OTHERS DO AND, YOU KNOW --

5 MEMBER RELIS: DAN, THIS IS YOUR CHANCE.  
6 I KNOW YOU LOVE WINDMILLS SO MUCH, SO THERE'S MORE  
7 WINDMILLS FOR YOU. YOU MIGHT WANT TO SUBSCRIBE.

8 MEMBER PENNINGTON: YES. I'M SURE  
9 THAT -- I'M SURE THAT I WOULD BE MORE THAN HAPPY.  
10 I NOTICE THE FRONT -- INSIDE THE FRONT COVER HERE  
11 ARE ALL THESE WINDMILLS.

12 CHAIRMAN JONES: WHAT THEY DON'T MARKET  
13 THERE IS LANDFILL GENERATED GAS.

14 MEMBER PENNINGTON: THE REAL ENERGY.

15 CHAIRMAN JONES: ALL RIGHT. ANY OTHER  
16 QUESTIONS OR COMMENTS? THANK YOU, NEAL. THANK  
17 YOU, MARTHA.

18 OPEN DISCUSSION? NOBODY. GEEZ.  
19 THIS MEETING IS ADJOURNED. THANK YOU.

20

21 (THE HEARING CONCLUDED AT 11:05  
22 A.M.)

23

24

25



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